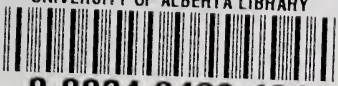
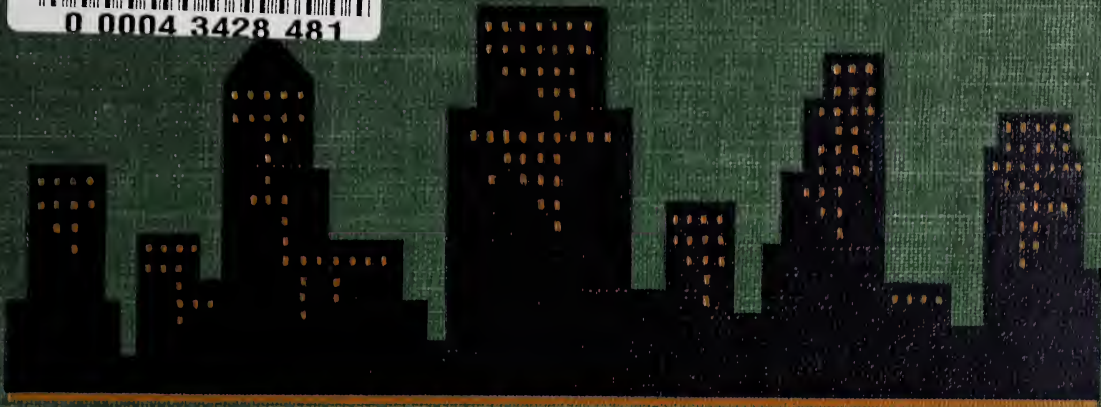


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# THE FUNDAMENTALS OF BUSINESS TRAINING

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**SUMMER SCHOOL FOR TEACHERS**

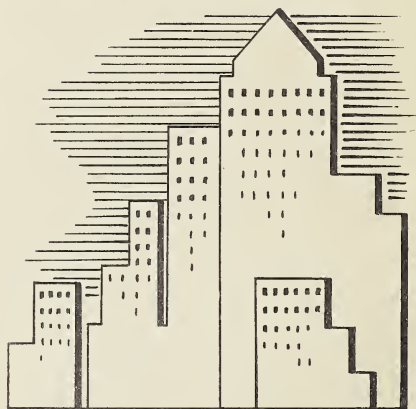


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**THE FUNDAMENTALS  
OF BUSINESS TRAINING**

# THE FUNDAMENTALS OF BUSINESS TRAINING



RAYMOND C. GOODFELLOW

DIRECTOR OF COMMERCIAL EDUCATION, NEWARK, NEW JERSEY





ASSISTED BY M. HERBERT FREEMAN  
ILLUSTRATIONS BY CHICHI LASLEY

THE MACMILLAN COMPANY

SUMMER SCHOOL FOR TEACHERS

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## PREFACE

DURING THE PAST SEVERAL YEARS the leading business educators of the country have come to the conclusion that business training should be taught for its personal use rather than for its vocational values. With this thought in mind this new type of text for ninth-year students has been produced, and is presented to teachers of business training.

The latest available information tells us that the average age of ninth-year pupils is slightly over thirteen years. *The Fundamentals of Business Training* has been developed with the idea of keeping the material contained in this course within the comprehension of such students. The requirements set forth in the many courses of study found throughout the country have been presented in greatly simplified form, and have been organized to better fit the needs of these students.

The objectives of this course may be summed up briefly as follows:

1. Personal-use values as applied to everyday living have been woven into the material in such a manner as to have an appeal and to challenge the intelligence of students in the ninth year.
2. The social-economic aspects of the subject have been explained in such a manner as to influence the development of sound social and economic attitudes and habits.
3. The exploratory and pre-vocational values have been emphasized throughout the text with the thought in mind of opening up the opportunities that lie ahead in the world of today and tomorrow.
4. Training in fundamental skills has been given a prominent place in every chapter. Spelling, reading, writing, and arithmetic are correlated with the material in such a manner as to produce the greatest values for the work that is to follow in subsequent years.
5. Emphasis throughout the course is given to training for life's situations on how to succeed at home, in school, on the after-school job, in the school club, and as a citizen of the community, county, state, and nation.

*The Fundamentals of Business Training* meets these objectives in the student's own language. The material is based on his present knowledge and interests. It can be put to immediate use in school, at home, or whenever occasion may arise. The student's problems are considered from his viewpoint and for his benefit.

Such social, economic, or consumer-training attitudes as affect business training are developed as part of every chapter in the text. No artificial discussions are brought in. Guidance is put to a practical use in the chapter on "Personal Relations in the World of Today." For example, the student is given direction on how to get along with people. The last chapter of the text, "What Has the Business World in Store for You?" points the way that is open to him after school days are over. It also presents his role as a member of his community and country. The problems provide adequate opportunity for the guidance material to be put to practical use.

Many young people in the ninth year are often deficient in one or more of the three R's. Without an adequate foundation in these subjects it is practically impossible to do successful work in the later years of the high-school course where knowledges and skills are essential for success. For that reason much attention is given to a thorough review of the three R's.

Reading, which involves the ability to spell and leads to a better use of English, as the first of the three "R's" is given specific drill in each chapter by the use of a list of twenty-four words from the chapter. The student is asked to look up the meaning and pronunciation of each word and to use it in a sentence. This systematic study of words broadens the vocabulary of the student and aids materially in the interpretation of the written page. Spelling is given a great amount of attention through a list of forty-eight words at the end of each chapter so arranged as to be used as suitable material for a Spelling Bee. These words are selected from the text material in the chapter. The use of English is stressed by asking for many oral and written reports, debates, and discussions on practical business situations.

Improvement in handwriting is brought about by specific progressive drill exercises at the end of each chapter. These are directly related to the words appearing in the chapter. This work is arranged in sequence from chapter to chapter and both the small and capital letter alphabets are reviewed in such a manner as to bring about an improvement in the handwriting of every student that uses intelligent practice.



Arithmetic is actually correlated with the reading matter in each chapter. Whenever arithmetic is used in the content, the process is illustrated and explained. At the end of each chapter is a section devoted to problems based on the material explained in the text.

The student is taken on a personally conducted tour of the business world of today. Institutions unfamiliar to him are interpreted in the simple language which he uses and understands. The aim throughout the book is to prepare him for the business of living by arousing his interest in people, things, and current events occurring in the routine life of this modern world.

The author wishes to express his thanks and appreciation to the many teachers of this subject who, in unselfishly contributing their ideas and experiences, have made it possible to produce this text. He is especially grateful to the teachers of business training in the public schools of the City of Newark, New Jersey.

The author also wishes to thank the New Jersey Bell Telephone Company, which helped materially in the preparation of the chapter on communication. The co-operation of Mr. Arthur E. Kean, Jr., Cashier of the Lincoln National Bank of Newark, New Jersey, who gave many valuable suggestions relating to the chapters involving financial matters, has been much appreciated. He also acknowledges his indebtedness to Consumer's Research, Inc., Washington, N. J., for the material on pages 221 and 222 which is reprinted, with names deleted, from Consumer's Research Bulletin, May 1938; to Cooperative Distributors for material on page 226; to Consumer's Union for material on pages 235-238; and to G. P. Putnam's Sons for material on page 459.

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**THE FUNDAMENTALS  
OF BUSINESS TRAINING**





# I

## THE BUSINESS WORLD OF TODAY AND TOMORROW

**STOP! THINK!** *Can you answer these questions before reading the chapter?*

1. *Why are you taking this course?*
2. *What do you know about the business world of today?*
3. *Have you had any business experience? Think carefully before you say, "No."*

**1. Greetings.** "How do you do! It surely is a pleasure to meet you and to make your acquaintance. We hope that after you know more about us you will be able to return the compliment." And now, you are probably wondering what kind of textbook you will have to struggle with for the rest of the year. Set your mind at ease. This book was written for you and your fellow students, and in the writing of it we thought of your pleasure as well as your desire for information.

We know that you are reading this very page only because your teacher assigned this chapter for homework. We hope, however, that before the end of the course, you will realize that we have considered your problems as seen through your eyes and for your benefit. How can you make a success of your school work? How can you get along well with your teachers and fellow students? How can you help your parents with the work at home? How can you help to stretch the family finances so that you will be able to afford a few extra pleasures? What should you know about buying goods? How can you get an after-school and Saturday job and make a success of it? What is the correct way to use a telephone? How do successful business people dress, act, and manage their affairs? How can you





help your father in his business? How about your future? As time marches on, will you be left behind or be content with the crowd or will you be up in the front ranks?

Are you dumbfounded by all these questions? Do not let them bother you. In making our bow to you, we were just trying to give you an idea of what you may expect when you take this course. The answers to these and many other posers are very simple and, we think, rather interesting.

Now, how about you? Why did you take this course? Be quite frank. Did you take it because it is required in your school? Did you take it because you needed another course to complete your schedule? Did you take it because a friend told you it was an easy course? Or did you take it because you really want to learn something about business and what it has in store for you as a career? Regardless of your original reason, you will soon find that you have chosen a course which is practical and fascinating. You will not be asked to memorize dry facts and theories. You will work with material which will be of immediate use to you in your daily life at home, in school, in your club, on the job after school, and in your community activities. If you really take the work seriously and toe the mark it will help you long after you have forgotten about the course and the textbook which you used. Whatever may be your success in other courses, you will excel in this one if you do your job honestly day by day and use your common sense. After a while, you will probably say, "Why, there is nothing hard to it at all. It is quite easy." Are you interested? Then, let's be on our way.

2. **On the Job in School.** You are now in business. "Oh, no," you say, "I am only a student in school. I have a good imagination but I cannot stretch it that far." We will not argue with you, but

have you ever stopped to think that school is a business for you? You have regular hours which you must keep five days a week. You have certain jobs which you must perform or you will be dismissed. The equipment with which you work is very costly. Your teachers are foremen or supervisors who are teaching you the business of living. Sometimes you do not finish all your work during hours so you have to put in a little overtime. You do not mind the overtime because you know that it will lead to a promotion and a raise. It is true that on pay day you do not receive a pay envelope with dollars and cents in it. You will have to wait awhile for the financial part of your salary, but, in the meantime, you are receiving training and experience which no amount of money can buy. Make no mistake about it. You really are in business.

You have heard people say, "When you are in Rome, do as the Romans do." Therefore, you will agree that when you are in business you must do as businessmen do. Sounds sensible, does it not? So, let us decide to maintain a business atmosphere in our business-training class as well as in all the others so that we may develop businesslike habits.

What are the things that create a business atmosphere? If you walk into any well-ordered office, the first thing that is likely to impress you is that everyone has a neat personal appearance. Both

*Strictly business!*



cleanliness and style help to make up personal appearance. Cleanliness means an immaculately clean face, clean hands and fingernails, clean clothes, and well-kept hair.

Next to appearance you will be impressed by the manners and courtesy of efficient business workers. Many pupils believe that while they are in school, they need not pay too much attention to their appearance and manners. They reason that after they get into business, they will have time enough to worry about such things. This is false reasoning, for well-bred manners do not come overnight, even should you want them to. Good manners are the result of constant effort. Do you shove or push? Do you say, "Excuse me," "I'm sorry. It's my fault," "Thank you," "Good morning," "Good-bye," "Don't mention it"? Do you give an older person the right of way? When a teacher opens a door, do you rush ahead through the open door, or do you offer to let the teacher go first while you hold the door? Do you interrupt conversations?

If you develop good manners at home and in school, they will become part of you by the time you are ready to enter the business world. On the other hand, if you wait until later to become a dignified, polite individual, you may lose several jobs and have some





rather embarrassing experiences.

Promptness is another businesslike habit which should be developed while in school. Tardy students usually blame the bus or the clock, for they believe that these stories will satisfactorily excuse them. Alibis might possibly be successful in school, but not in business. Frequent tardiness is not overlooked, no matter how good the excuse. Consequently you should plan to arrive at your destination a few minutes before you are due, rather than on the dot. If

you make sufficient allowance in this way, even late busses and slow clocks will not make you late. You may think that a few minutes make no difference, but for many a business person, five minutes spell the difference between a job and unemployment.

Clock-watchers are not popular in school or in business. If you are really interested in your class work, you will have no occasion to "see what time it is." To the busy person, time flies; to the lazy person, time drags. Watching the clock advertises the fact that you are bored or not interested in your task.

A business person must be efficient. Do you come to class with a well-sharpened pencil or two, a pen, blotter, notebook, and paper? Many students always seem to have fountain-pen trouble at the beginning of a recitation. They either hold up the whole class while filling the pen, or it runs dry in the middle of the period, causing general confusion. Most pens do not hold much ink and so it is wise to fill your pen every day, preferably before you come to school. After dipping your pen in the ink and pushing the lever, it is necessary to keep the pen point in the ink for at least ten seconds in order to fill the pen completely. For smoother writing, it is best to use your own ink and only one type of ink in your pen.

The successful business person gets things done. When the day



is over, he can point to jobs successfully accomplished. You can do the same in school. A check-up at the end of every week will show what you, not the teacher or other pupils, have accomplished. How many assignments have you successfully completed? How much progress have you made with projects due? How much reading have you done? Is your notebook up-to-date? What use have you made of your new knowledge?

In business it is good advice to be friendly with your fellow-workers but not too intimate, except for one or two who may be close friends. The same advice holds true, to a large extent, in school. If you start telling all your troubles or joys to everybody, your confidence will mean nothing to anyone in particular, since you talk to everyone about your personal problems. If you talk too much to your fellow pupils, you may be embarrassed to find that some people, from whom you would prefer to keep certain things, know too much about your business. You will, in general, enjoy more respect from your fellow pupils if you are sincerely friendly, without making a bosom friend of everyone to whom you talk.

The person most likely to succeed in business is the one who is just a little better than his fellow workers. Do not be mediocre in your school work. Get into the habit of doing the best you can. Do not be satisfied with a mere passing mark. It is well to aim for the highest mark possible, not for the sake of the mark, but so that you may develop into a person who does things efficiently and better than the average. The ordinary person gets the ordinary job. In school as well as in business, in order to get recognition, you have to rate a little better than average.

Good work-habits indicate the efficient, successful business person. Do you carry with you all the books and supplies you own, or just the ones you need? When you do your homework, have you organized your books in such a way that you can quickly find what you need? In class, do you leaf frantically through your text or notebook to find the place, or do you have a marker so that you can readily open it to the proper place? Do you have to unfold twenty-five papers to locate your homework assignment after the teacher calls on you for the first problem? Do you search all over for a



ruler or eraser when you need it, or do you have it handy? Do you erase neatly? Do you draw lines carefully? These are indications of good work-habits.

From this discussion on the similarity between school and business, you can see that maintaining a business atmosphere is possible and advisable in school and will go a long way toward preparing you for the time when you leave school and enter the business world.

**3. On the Job at Home.** In addition to developing businesslike habits of work, this course should help you in solving business problems. Do we have to look far to find examples of business problems? Let us consider some of the business situations which exist right in your own home. The purchase of food is probably the most frequent business problem at home. Do you buy for cash or credit? In general, it is cheaper to buy for cash. When you buy for cash, however, you may not have the convenience of having the goods delivered or of paying at a later and perhaps more convenient time. On the other hand, if you pay as you go, you will have no worry about meeting large bills, or doubts about the items appearing on bills. The question of quantity also comes up in connection with buying food. Usually, the larger the quantity purchased, the lower the price will be. You may live in an apartment, however, and not have enough room to store large quantities.

Will you buy standard or unknown brands? The word *standard* is difficult to define, but in this connection it means a brand which is generally well-known because it has been widely advertised. There are many standard brands which are not at all the best for your money. You must therefore learn to judge for yourself.

Provision for shelter is a business problem which everyone has to solve. If your family rents an apartment, it has the problem of

*Attractive homes present business problems.*





*Camping may be a pleasure but it is also a business problem.*

paying rent, getting a receipt, and requesting repairs and alterations. If your family owns its own home, there are endless business problems in engaging, supervising and paying carpenters, plumbers, gardeners, electricians, roofers, or mechanics. Hiring such aid is not the simple matter it seems, for there are various types of services and costs. Other business problems of providing shelter include paying taxes, interest, and principal on mortgages. If you have an apartment which you wish to rent, someone must take the business responsibility of advertising it, interviewing prospective tenants, reaching an agreement on rentals and repairs, collecting rent, and pleasing the tenant.

Providing recreational activities in the home involves additional procedures. Suppose you plan to convert a room in the cellar into a recreation room or a playroom. You will have to engage help, buy equipment, and arrange for its installation. Or, let us suppose you wish to go to camp. Will you go to a camp conducted by some organization or to a private camp? What will be the cost of the



camp? How far is it from home? What special clothing or equipment will you need to purchase? Transportation must be arranged. Further travel and financial arrangements must be made for visits by your parents. These are just a few of the business activities involved in home management.

4. **On the Job as a Consumer.** There are many other problems which each consumer must solve. Who is a consumer? You are a consumer. Anyone who needs the goods provided by business—food, clothing, shelter, or recreation—is a consumer. When you wish to buy something, let us say a fountain pen, how do you know what kind to buy? Do you buy on the basis of logic, (reasoning) or emotion (feeling)? When you buy on the basis of logic, you carefully consider whether the pen you wish to buy will adequately serve your needs and whether you are buying it at a fair price. When you buy on the basis of emotion, you are buying the pen because of its color, its streamlining, because a famous person uses it, or because it is widely advertised. More goods are bought on the basis of emotion than on the basis of logic. It is probably more fun to buy that way, but also much more extravagant.

Let us return to the problem of buying a pen. There are several ways of buying it intelligently. One way is to go to a reliable store that carries several makes. You might try each kind and ask questions, not about style or color, but about such things as serviceability, ink capacity, meaning of the guarantee, price, method of filling, and cost of replacing parts in event of breakage. Before you buy the pen, you might ask your friends what their knowledge of, or experience with, that particular pen has been. You might also ask someone of your acquaintance who writes much, which pen is preferred and why. It is the purpose of this brief discussion on business problems of the consumer to indicate that you can make yourself and your family intelligent, well-informed consumers by reading literature on consumer education, and by becoming familiar with certain sources of information.

In addition, you should investigate the quality of goods which you buy frequently. You should become familiar with the textiles used in clothing, so you may inspect them intelligently. If you have



occasion to buy food for your family, you should become familiar with methods of judging food—ripeness of fruit, sizes of containers, labels, grades, weights and measures, and current market prices. Since you cannot know everything about everything, you should at least know where to get honest information. So, knowing that you will be a consumer for the rest of your days, you should become an intelligent one.

5. **Preparation for Today's Jobs.** In order to fill all of these business roles successfully, what training will you need? The answer is: a thorough knowledge of the three R's—reading, writing, and arithmetic. When we say a thorough knowledge, we do not mean a fair knowledge or an average knowledge. We mean a complete and thorough knowledge of how to spell or pronounce certain words, how to solve practical problems in arithmetic, and how to write a good business letter. You cannot merely assume nor take for granted that you already know how. You must be positive and confident of your skill and you must know today, tomorrow, and always.

*Reading.* Let us start with the first R—reading. Reading in our language requires the study of English. English is a subject which you may study for a lifetime and still not become master of it. Whatever English instruction you receive in connection with your business training will be only that which will be of actual use to you in your immediate and future life, whether or not you enter business.

What is effective business English? In the first place, it is emphatically not a special kind of English, to be used only in business. It is good English which is used in business. Many pupils just beginning the study of business training make the mistake of thinking that business English means the mastery of such flowery phrases as "We beg to remain." This particular phrase is out of date and is incorrect. No progressive, educated, and intelligent businessman would use it

or a similar one. It would brand him as completely out of step with modern things. Business English no longer has such special phrases.

Good English requires a knowledge of spelling. Do you know the exact spelling of all words frequently used in business? Do you know the difference between *affect* and *effect*, *principal* and *principle*? Do you know how to form the plurals of *memorandum*, *diary*, or *half*? How do you indicate the possessive case?

How is your grammar? When is it correct to use "You and I" and when "You and me"? You cannot expect to get any sympathy in the business world by saying, "English was always my weakest subject." It is your language, is it not? You will seldom hear a Frenchman say that he does not know his French or a German admit that his German is poor. Why should you not be just as positive about your English? Probably you have never given the matter much thought. You have gone on doing as little work in English as possible because you took it for granted that you knew enough to get along. Will you not resolve now to do something about it? We shall do our part by providing you with sufficient practice material, which will be of real use to you if you will apply yourself.

*Writing.* How about the second R—writing? How is your handwriting? Do you have to admit occasionally that you cannot read your own writing? When you make out an application blank for a Saturday job, will your prospective employer throw it into the wastepaper basket because he cannot decipher your scribbling? Do you pride yourself on the fact that no one could forge your signature because they could not possibly read it?

Handwriting in the business world of today must be readable rather than ornamental. Can you read something you wrote a few weeks ago? Let someone else read something you wrote, and if he





can read it without difficulty, then you may consider it legible or readable. It has been noticed both in bookkeeping and shorthand classes that those students who have good penmanship are as a rule much more successful in their work than are students whose penmanship is only fair or poor.

You may object to further practice in penmanship because you once had it in grammar school. You may have had penmanship, and lots of it, in grammar school, but now is the time to perfect your handwriting by additional practice in your business-training class. It seems that just the added practice received in a business-training class is usually sufficient to bring about a general improvement in handwriting. That "Practice makes perfect" is not true if it is incorrect practice. But correct practice and plenty of it will surely improve your penmanship.

You may have heard some people say that penmanship is not so important today with the typewriter in such universal use. Writing by hand was, is, and always will be of great personal use to the average individual. A typewriter cannot be carried around as conveniently as hands, pen, pencil, and paper! There are still many advertisements for jobs which request that the letter of application be written by hand. There are many positions in which a legible handwriting is an absolute necessity and other jobs in which it is highly desirable. It is evident therefore that good penmanship is still a valuable tool. It may be the difference between securing or not securing a good grade, a desired position, or a promotion.

*Arithmetic.* And now we come to the third R—arithmetic. Some of us will have occasion to use more arithmetic than others in our

*Good posture helps penmanship.*

home, social, and business activities, but all of us need a certain amount of it. The purpose of the arithmetic instruction in business training will be to review the essential arithmetic which you will use in your everyday life.

Most people marvel at the speed with which grocery clerks



add long columns of figures. It sometimes seems unbelievable. Is it because grocery clerks have been blessed with a special talent? No. The answer may be found in one word, practice. Because they add so frequently, they gain skill in adding. A reasonable amount of practice in rapid calculation will give you the same skill. It may be that the only use you will ever make of your skill will be to check the work of clerks who wait on you, but is not that a precaution and a satisfaction in itself?



When you practice, be sure to pay attention to the writing of your figures. Write them distinctly and close together. If you write large numbers and sprawl them all over a sheet of paper, it takes more time and energy to do the same job. Accountants write small, distinct, and plain figures close together. You can well take a lesson from the accountant. He writes figures all day long. His work must be accurate, else he loses his job.

It is surprising how many people accept change without counting it. They buy something for nineteen cents, hand the clerk a two-dollar bill, and as long as there is a bill and a sufficient amount of change, they take for granted that it is correct. It only takes a second to verify the amount received and so prevent any loss. Simply add the amount of the purchase to the change received, and the total should equal the amount given to the clerk. Practice counting your change every time you go to the store. You will soon become an expert in checking and re-checking it. Do not worry about offending the clerk. If he is efficient he will appreciate your verification.

Suppose your parents decide to put aside a certain amount of money for you at regular intervals as a college or a business fund. In deciding on which method of saving you consider best, you will

surely have to know how to calculate percentage. It is one thing to work a problem in percentage from a book, and it is quite another thing to work on a real personal problem. Business-training arithmetic problems will give you ample opportunity to work on personal problems which will be of real interest and value to you.

**6. Preparation for Tomorrow's Jobs.** High-school days will soon be over. Time marches on rapidly and it is not too soon to begin to think about your future prospects. Your chance for success in the business world of tomorrow will depend to a large extent upon your ability and personality. It is well to keep in mind that there are generally more people looking for positions than there are jobs available. Therefore, the better-than-ordinary business person is likely to be placed more quickly. When we refer here to an exceptionally capable person, we mean a person who has a specialized knowledge of typewriting, stenography, bookkeeping, or other skill subjects. He is likable, efficient, and possesses more-than-average intelligence. Businessmen today are accustomed to assign tasks which they expect to be performed quickly and well, and without further question. In other words, they expect their employees to use their initiative, that is, to do things without being told exactly what to do each time. It is, therefore, up to you to start now to develop your initiative as you prepare yourself for the business world of tomorrow.

The most brilliant opportunities offered by business will mean nothing to you if you are not inclined to do that sort of work. Consequently, this course will have great value if it does nothing more than convince you that you are not fitted for the business world. You may find that you wish to enter some other field for which you are better suited. In that event this training will have helped you to avoid many years of disappointment in doing something not to your liking.

Even if you feel that business has no charms for you, this class should make you a happier and a more valuable citizen. You will be in a better position to appreciate and to understand what business does for you, as well as its relation to the activity into which you may go. It will prepare you for the business activities involved in the business of living in the world of today.





## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. Regardless of what you do in later life, you will have many business problems to settle in your daily activities.
2. Your business training course will help you solve your daily business problems.
3. Just now school is your full-time business job.
4. Now is the time to develop businesslike habits and characteristics.
5. You have a certain amount of responsibility in helping with the business problems involved in managing your home.
6. You are a consumer and always will be one.
7. Consumer problems are of utmost importance to you.
8. A thorough knowledge of English is essential for success in the world of today.
9. Penmanship is not a lost art.
10. Adding and calculating machines have not diminished the importance of arithmetic in our daily activities.
11. In order to succeed in the world of today, a person must strive to be above average.
12. Now is the time to start planning your future.
13. Time marches on.



## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-20 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Tell the class why you are taking this course.
2. Your brother claims that you have not had any business experience. Do you agree with your brother? Why?



3. Tell the class a short story illustrating what you know about the business world of today.
4. School is a full-time business job for you. Discuss.
5. "This class has an excellent business atmosphere." How would the class have to be conducted to deserve this compliment?
6. A "clock-watcher" always does a good job because he is never late for his next class. Is this statement true or false? Why?
7. Give several illustrations to show the business problems which are involved in the management of your home.
8. You have been accused of being a consumer. Are you guilty of this accusation? Why?
9. What mark did you receive in English on your last report card? Why?
10. "My father says that everyone in our family has always been poor in arithmetic." Discuss this statement.
11. A knowledge of arithmetic is no longer necessary because a business worker of today uses adding and calculating machines for all of his mathematical computations. True or false? Why?
12. A friend tells you that he is very anxious to succeed in business. Tell him the qualities which are needed for business success.
13. If you are not planning to enter the business world, a course in business training will be a perfect waste of time. What is your viewpoint on this question?
14. How friendly should you be with your fellow students? Why?
15. A student need not worry about good manners until he is ready to step out into the business world. True or false? Why?
16. "When you are in Rome do as the Romans do." Give several illustrations to show that you understand the meaning of this saying.
17. Your teacher frequently says, "You can lead a horse to water, but you cannot make him drink." What does your teacher mean? Discuss.
18. "I missed my bus this morning." This is a good reason for tardiness which any business employer would accept. Do you agree with this statement?
19. "Only sissies are always polite and use such expressions as, 'Excuse me, please,' and 'I am sorry.'" A regular fellow would never think of saying such things." Do you agree with this statement. Why?
20. What I do in school now will not affect my success in business one bit. So why should I pay attention in class, prepare my assignments carefully, or worry about the future? Discuss.

## SPELLING BEE

Who is the best speller of words used in this section? Choose a leader who should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

affairs	either	knowledge	recognition
argue	electricians	noticeable	recreational
breakage	envelope	occasionally	responsibility
business	exceptionally	organization	schedule
columns	familiar	percentage	scribbling
community	financial	pleasurable	seriously
compliment	forge	principle	serviceability
concentration	frantically	probably	signature
daily	immediately	progressive	specialized
decipher	intelligently	projects	theories
effective	interrupt	promptness	thorough
efficient	interviewing	receipt	unintentionally



## THE FIRST OF THE THREE R'S—READING

acquaintance	develop	initiative	occasion
alibis	embarrassing	invariably	precede
assigned	equipment	inventory	prospective
atmosphere	fascinating	irritate	supervisors
career	finances	legible	sympathy
co-workers	immaculately	mediocre	tardiness

## THE SECOND OF THE THREE R'S—WRITING

Handwriting is a skill that should be developed by all those wishing to succeed in business. Only by intelligent practice may this skill be acquired. Each of the following chapters contains material that should help you in developing a better quality of handwriting if you follow the instructions carefully.

Write the following exercise on ruled paper. Use a fine or medium penpoint or a fountain pen with a fine to medium point. Fountain pens are very desirable for notebook work or for use in practicing the writing exercises found at the end of each chapter.

Your desk should be clear of all books and other materials so that both arms may move easily. Sit in a comfortable writing position with both feet placed flat on the floor. Lean forward but do not allow the body to touch the desk. The hand should be held in a rounded position and glide on the nails of the third and fourth fingers.

After carefully checking your posture and position write the exercise, giving careful attention to the slant, spacing, and size of writing. This specimen should be placed carefully in your notebook or kept by your teacher so that you may measure your progress from time to time. With intelligent practice you will find that your writing will improve greatly during the year.

*Home address*

*City, State*

*Date*

*This is a specimen of my best  
business writing at this time.*

*Your Name*

*A B C D E F G H I J K L M  
N O P Q R S T U V W X Y Z*

*1 2 3 4 5 6 7 8 9 0*

*a b c d e f g h i j k l m  
n o p q r s t u v w x y z*

## BUILDING BUSINESS HABITS

### Job 1—

- (a) A friend tells you that you have not had any business experience whatsoever. You are anxious to convince him that he is all wrong. Think of all the business dealings you have had.
- (b) Prepare a list of your business activities in this way.

### MY BUSINESS ACTIVITIES

Activity	Description of Activity
1. Shopping for groceries.	1. Select and buy all groceries for my family.

- (c) Complete the chart.
- (d) Discuss the chart with your family.

### Job 2—

- (a) Another friend accuses you of taking this course just for the five credits you will receive if you pass it. Actually this is not true. You really want to learn about business.
- (b) Review the material in the chapter and prepare a list of the things you expect to learn in this course. Set it up in this way.

### WHAT I EXPECT TO LEARN

Knowledge	Use
1. Correct telephone procedure	1. At home and in business

- (c) Complete the chart.
- (d) Discuss the chart with your teacher.

### Job 3—

- (a) You are given the debate problem, Resolved: "That a school student has a full-time job."
- (b) Prepare a list of arguments on both sides of the question.
- (c) Select the side you prefer and prepare a three-minute talk defending it.

### Job 4—

- (a) You are interested in developing businesslike habits. Review the material on business atmosphere in this chapter.



- (b) Prepare a check list of businesslike characteristics. Set it up in this way.

### BUSINESS CHARACTERISTICS

Characteristic	My Rating
	Below Average, Average, Above Average
1. Promptness	1. Above average

- (c) Complete the chart.  
(d) Rate yourself as a business employee.

#### Job 5—

- (a) Your father has always insisted that there are many business problems connected with managing a home. You, on the other hand, have always argued that anyone can manage a home without business experience or training.  
(b) Investigate all of the business problems connected with managing your home. Set up the information in this way.

### HOME BUSINESS PROBLEMS

Problem	Managed By
1. Renting an apartment	1. Father

- (c) Complete the chart.  
(d) Discuss the chart with your father or mother.

#### Job 6—

- (a) Job 5 made you wonder whether there are any business problems involved in your community life.  
(b) Investigate community business problems and prepare a chart similar to Job 5b.  
(c) Complete the chart.  
(d) Discuss the chart with your social studies teacher.

#### Job 7—

- (a) Review the material on English.  
(b) Analyze your English. Set up a chart in this way.

## MY ENGLISH

My Weak Points	My Strong Points
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- (c) Complete the chart.
- (d) Discuss the chart with your English teacher.

### Job 8—

- (a) You are now interested in your arithmetic ability.
- (b) Set up a chart similar to the one in Job 7b.
- (c) Complete the chart.
- (d) Discuss the chart with your business-training or mathematics teacher.

### Job 9—

- (a) You are also anxious to improve your penmanship.
- (b) Set up a chart similar to the one in Job 7b.
- (c) Complete the chart.
- (d) Discuss the chart with your business-training and English teachers.

### Job 10—

- (a) Assume that you know definitely that you will never enter business.
- (b) Make a list of the things you will learn in this course which will nevertheless be of benefit to you.
- (c) Discuss the list with your business-training teacher.

### Job 11—

- (a) Imagine that you are a detective. Search this chapter carefully.
- (b) Prepare five questions dealing with any of the material in this chapter which will be suitable for use in a Quiz Program. Your teacher will select the best questions for class use.

## THE THIRD OF THE THREE R'S—ARITHMETIC

### Situation 1—

- (a) Assume that you spend  $5\frac{1}{4}$  hours a day in school, five days a week for 39 weeks.
- (b) How many hours do you spend in school in one week?
- (c) How many hours do you spend in school in one year?

- (d) What per cent of the total hours in one week do you spend in school?
- (e) What per cent of the total hours in a year do you spend in school?

**Situation 2—**

- (a) Use the figures in Situation 1c. Calculate the total school hours spent during eight years of elementary school.
- (b) Calculate the hours spent during four years of high school.
- (c) Calculate the hours spent during four years of college.
- (d) Calculate the total hours spent during the sixteen years of education.

**Situation 3—**

- (a) Suppose that it costs \$92.40 a year to educate each pupil in your high school. Assume that 453 students attend the school.
- (b) What is the total cost for a year?
- (c) On the basis of a ten-month school year, what is the monthly cost per pupil?
- (d) If the student-body remains the same for four years, what would be the total cost for the four years of high-school education?

**Situation 4—**

- (a) You spend ten cents a day for carfare to school and fifteen cents a day for lunch.
- (b) What is your weekly expenditure?
- (c) Monthly expense?
- (d) Yearly expense?
- (e) Expense during four years of high school?

**Situation 5—**

- (a) Your family pays \$28.75 a month for renting a house. Gas and electricity average \$6.20 a month. Eight tons of coal are used for heating the house.
- (b) Calculate the yearly cost of rent.
- (c) Calculate the yearly cost of gas and electricity.
- (d) At \$8.35 a ton, what is the yearly cost for coal?
- (e) Total operating expense for a year?
- (f) What is the weekly cost of operating your house?





## II

### PERSONAL RELATIONS IN THE WORLD OF TODAY

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *Why is your best friend your best friend?*
2. *If you were someone else, would you always enjoy having "you" around? Why?*
3. *When should you shake hands with ladies? With gentlemen?*

1. **Influence of Others.** This business of living is a complicated business. It is not so simple as you thought it was when you were younger. You have, undoubtedly, found out since then that it takes many people to make a world. You have also discovered that these people must get along well together or else arguments, fights, murders, conflicts, wars, and revolutions take place. Before very long, you will also have to learn just what you must do or not do in order to make your way in the world calmly, quietly, successfully, and with dignity and respect among your fellow men.

No person can be entirely sufficient unto himself. Certainly a normal person would not wish to be even if he could. Friends are our most valuable possessions. As you think this over, you will realize that true friendship should be carefully protected and highly prized. The lot of a man who does not have a real friend to share his joys and sorrows is tragic indeed.

As a very wise young person you will select friends whom you admire; from whom you can learn; who are good influences; who have the same interests; who are "going your way," and who will not pull you backward. When your friends have high ideals, you find yourself living up to the standards they set. You generally learn

more from those of your own age with whom you share common interests than from those who are older and more mature. For these reasons, it is important to make a wise selection of friends. Your reputation will depend on the friends you keep. To be qualified to



keep friends and associates whom you enjoy and who will be a good influence, you must possess the qualities that you admire in them.

## 2. Personal Qualities.

*Generosity.* A selfish person is never a success in any sense of the word. Much joy is to be found in sharing. Sometimes that sharing takes the form of giving material possessions. At other times, it merely consists in sharing happy experiences by narrating them or by listening to others. At still other times, it consists in sharing opportunities by assisting others to climb the ladder of success. There is plenty of room at the top. It is never necessary to climb alone.

*Congeniality.* Your friends should be "going your way." If you want others to enjoy your company, work with them rather than against them. It is only then that harmony prevails. You cannot always have your own way. Learn to give in to the wishes of your companions and they, in turn, will learn to give in to you. This will bring the sunlight not only into your own life, but also into the life of your companions. It is fun to practice giving way to someone

else's wishes whenever possible. There is a real satisfaction in it provided you do not go to the other extreme and become a "yes" man.

*Honesty.* Any list of worth-while characteristics in a person's make-up will include honesty. Honesty influences many of our actions. If you develop the habit of being honest in your relations with others now, you will have a decided advantage as you grow older. Be straightforward. Do not play a part but be your own true self at all times. Be just as fair in your dealings with others as you expect them to be with you. If someone else is a better friend to you than you are to him, you are not being honest. One of Shakespeare's most-quoted passages is:

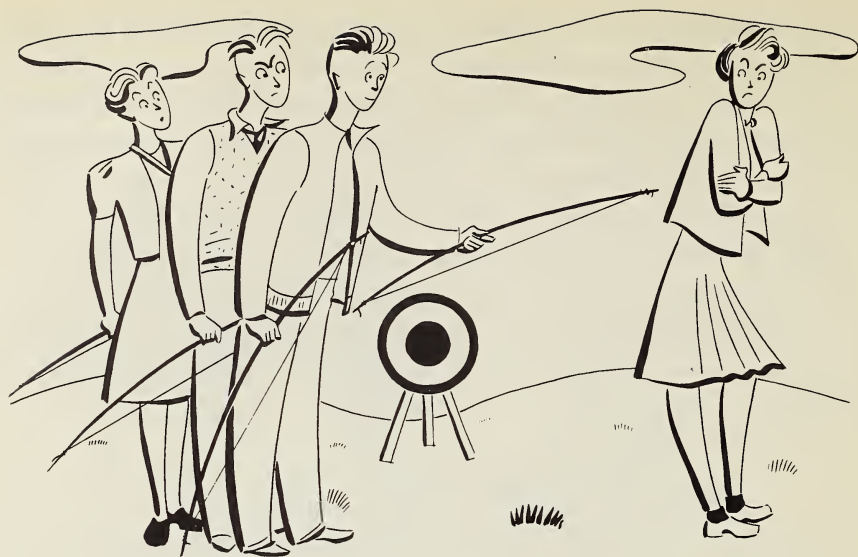
To thine own self be true,  
And it must follow, as the night the day,  
Thou canst not then be false to any man.

Give good measure. Be honest in giving your full measure of time to a task. Do more than is expected of you. Put in an extra ounce of enthusiasm in all you do for others. Constantly ask, "Am I worth what I am paid?" Then no one can ever label you a shirker. Be honest in the use you make of materials: yours, your family's, your school's, your employer's. Then no one can ever label you a waster. Be loyal to a confidence. Associates confide in you because they trust you. Be honest with them. Do not betray that trust. Then no one can ever label you a tattler.

*Tact.* Some people excuse their own lack of tact by a mistaken idea that, in the name of frankness, they can say anything. There is no need to be so honest or frank with your associates that you make them unhappy. A bit of advice can be offered tactfully or it can be thrust out heartlessly. Learn to be gentle and kind, not







brutal and hard. Know when to be silent, and know when to speak. When you speak, know what to say and how to say it. Some people say "No" more delightfully and pleasantly than others who say "Yes." Since tact is first cousin to courtesy, it is well to develop this trait along with good manners.

How can one be tactful? By not disagreeing bluntly with the suggestions or opinions of others. By being ready and eager to accept apologies. By avoiding subjects and discussions that may lead to unpleasant arguments or hurt someone's feelings. By expressing approval when it is earned by others. By getting the other person's point of view and respecting it even if disagreeing with it. By avoiding sarcasm, and by emphasizing a person's good points rather than his shortcomings. It is natural for people to show their best side to one who appreciates it.

*Self-control.* Take stock to see if you ever spoil others' good times by being unreasonable, pouty, surly, or sulky. It takes real skill to be equal to all occasions. If you are attending a group meeting or party where the activities are not to your liking, try to hide your disappointment and disapproval, and become interested in what is going on. Go along with others' desires and plans rather than upset them. You will need an over-supply of self-control and a measure of

generosity to accomplish this. Learn to compromise. If you cannot climb straight up a mountain, try climbing around it. The important thing is to reach the top.

*Reliability.* It is so comfortable to be associated with someone who is absolutely true to his word—someone who is reliable. When he says he will call on Tuesday, he will call on Tuesday and not when he thinks of it again. He keeps his word and so we have implicit faith in him.

How can you be that someone? Never promise more than you can possibly do. When you make promises—keep them. Do not let the importance of an appointment influence your keeping it. Keep *all* appointments. Return borrowed articles within a reasonable time and in their original condition. Be on time for meals, classes, and duties. Get assignments in on time. When on committees, do the work assigned you. Complete what you start. See it through. Be a good starter and a good finisher.

**3. Home Relations.** "Home is where we complain the most and are treated the best." Is that definition true in your case? Do you share your happy experiences with the members of your family?



*Helping hands.*



Your mother's life is so wrapped up in you that sharing your good fortune and happy times is more important to her than her own personal experiences. If you retell a compliment that you have received for work well done, or even a compliment on your personal appearance, do not feel that it is boasting to tell your mother or father about it. It is really paying them an indirect compliment.

Do you face facts? When you have been in the wrong and are aware of it, you will find that confession is good for the soul. If your report card this month is not all it should be, have the courage to tell your parents what your weaknesses are. Their interest, advice, and even their scoldings, will do you more good than you can now realize.

Do you take your home and its comforts for granted or do you make someone's day a little happier by sincere appreciation? Give little compliments about your mother's cooking, your father's knowledge of affairs, your sister's new haircomb, your brother's cleverness. Overlook a burned cupcake, an unintentionally misquoted bit of information, an unbecoming hat, a poorly made bookcase. We all make mistakes. If we are patient with others' mistakes, our lives will be happier, because we, too, can hope that others will charitably ignore our mistakes once in a while.



Life is not all milk and honey in anyone's home. Sometimes a picnic is postponed, a task is difficult, a request is refused. Character comes to the front to assert its influence when things go wrong. It is easy to be smiling and happy when things are coming your way. It is easy to say something in anger which you may regret for a long time.

You show your true colors when you lose your temper. Anger replaces reason. Have you not



felt, after saying a cross word, that you would have given a great deal not to have said it? However, once a word leaves your lips, it can never be recalled.

It is easy to smile and be pleasant  
When life runs along like a song.  
But the man worth-while is the man who can smile  
When everything goes dead wrong.

4. **You and Your Manners.** We have already mentioned the importance of good manners in the business and social world. At the same time, you undoubtedly feel that you will have ample time to cultivate these necessary qualities later on in life. Nothing could be



farther from the truth. It is not possible for a high-school student to make a sudden change in his manners when he steps into a business office or into a social gathering. It is the boy or girl who has conscientiously cultivated correct manners for years who will be most at ease in social or in business surroundings, whereas those who believe in having one set of manners for the home and another for the outside will be ill at ease because they have to be constantly on the lookout against a breach of etiquette.

In doing the correct thing, it is important to be natural and at ease. The person who has practiced good manners for a long

time can be casual or nonchalant without any effort. It is the person who is putting on his company manners for a particular occasion who is nervous. His tenseness will quite likely betray him. How can he act natural when it is not natural for him to act that way?

Good manners must be mixed with kindness. It is only the boor who will take advantage of his position by being rude or overbearing to store clerks, waiters, or servants. Bad tempers and bad manners are one and the same thing. However, some people expect others to be tolerant of them because they have bad tempers. A bad temper is a luxury which is too expensive to share with others.

You will notice that people with poor manners are seldom among those who have achieved social or business success. More people are discharged from their positions because of a poor attitude, or boorish manners than because of inability. Promotions are more likely to go to the people with the best manners and attitudes. This is true because the higher the position, the more likely it is that the employee will have to deal with important people. The employer, therefore, must be sure that such dealings are conducted in a dignified and efficient manner. We may readily conclude that good manners are just as essential to success in the business world as a knowledge of bookkeeping or shorthand.

5. **Physical Bearing.** The movements of the body should be graceful and natural. People who are awkward make themselves undesirably conspicuous. No matter what the circumstances are, avoid foot tapping and leg twisting. The best position when sitting is to keep both feet on the floor side by side with one foot slightly ahead of the other. If a girl feels that she must change her position, she may cross her feet, but not her legs. In fact, to be absolutely proper, there should be no crossing at all. This is a small detail, we will admit, but sometimes small things count most.

The question may arise in the minds of high-school students as to the desirability of being absolutely proper. Looking at it from a purely commercial point of view, it may some day mean the difference between getting or not getting a very desirable position. Assume that two applicants are being considered for a position after many other candidates have been eliminated. These two have very

similar technical qualifications but the manners of one are apparently better than those of the other. If you were the employer, whom would you select?

Many people have the nervous and annoying habits of jingling change in pockets, patting their hair, dangling a watch chain, or playing with bracelets or necklaces. The fact that this is a common occurrence does not excuse them. Many men are in the habit of punching people playfully on the back or chest, just to show that they are regular fellows. But people resent being pushed around, even by their friends.

And now we come to the matter of chewing gum. Many will argue that it is good for them, that it quiets their nerves, that it increases their efficiency. Whether these things are true or not is open to debate, but one thing about which there is absolutely no question is the picture presented by a gum-chewing person. The next time you are in a public conveyance—bus, trolley, subway, or train—note the expressions on the faces of the people chewing gum. As one foreigner visiting this country said, “I thought it was a sickness of the face the people had.”



No bad feature of personality has had such publicity as an unpleasant bodily odor. There is only one way to meet this problem: a daily soap bath, frequent changes of clothes, and careful oral hygiene. A bad breath may need the advice of a physician in order to have the cause removed. People who are aware that they have a bad breath should avoid talking directly into someone's face.

The most confirmed make-up user will admit that the best cosmetics are a poor substitute for a natural, healthful, ruddy, school-girl complexion. If a high-school girl feels she must use some make-up she should use good judgment in deciding the circumstances. Should the same amount and kind of make-up be used in school and at home as at a party or dance? Much rouge is definitely in bad taste, even for grown women. A lady never applies make-up in public. It is an inexcusable offense against good taste despite the fact that many women do so.

It is difficult to answer the question: upon what shall I focus my eyes while talking or listening to someone? If you are interested in the speaker, as you should be, you will look him in the eyes for a while. Then, after you allow your eyes to rest on something else, as if giving consideration to the subject, you may again look at the speaker. Avoid staring fishy-eyed at wall designs or ceilings. The important point about the use of your eyes is to be natural. Otherwise you will begin to feel self-conscious.

It is also difficult to advise you to keep your elbows off the table because so many people violate this rule of good manners. But if you realize that a truly well-mannered person avoids this habit, you will agree that it is good advice to follow. It is also definitely incorrect, if not actually funny, to curl the little finger and project it into the air while holding a cup. It is an unnatural gesture which is probably the reason why it is humorous rather than correct. Most of our rules for correct table etiquette have originated in the fundamental idea of consideration for your neighbor. We suggest a few: chewing with your mouth closed, not gulping your food, and not eating with your fingers.

**6. Appropriate Clothes for Girls.** The boys may skip this section if they are not interested in what the well-dressed girl will wear.



High-school girls will find that skirts and sweaters and low-heeled shoes with socks over the stockings are in good taste. Sport dresses of a simple style are also quite appropriate. The important thing is to be comfortable and neat looking.

Large department stores issue manuals which suggest suitable business attire. If the girl going into business refers to one of these manuals and follows the suggestions, she will find herself correctly dressed. Girls should be neat and comfortable, but for business they have to be somewhat more formally dressed than for school.

Although girls in business were once not quite so careful in their dress as they are today, they have now found it necessary to dress well in order to secure a position in the first place. To keep the position and to gain favorable attention with an eye to promotion also depends, more often than not, upon good grooming.

In general, a trim dark dress of the tailored type is most appropriate. Black and navy blue are usually considered the best colors for business. With a dark outfit, a dash of color in the collar or cuffs is attractive. Browns, grays, and dark greens are next in order for business wear. Flashy colors should be avoided.

For winter wear, woollens or some types of printed silks are in order. For summer wear, crisp, cool-looking cottons are best, but they must have backs and sleeves. Materials such as velvet or sheer chiffon are definitely out of place in the business office.

Some girls follow the excellent procedure of selecting a certain color scheme and continuing with it for a few seasons, so that they need not buy too many hats, coats, gloves, shoes, and other accessories. The type of shoe most appropriate for business is a low shoe with boulevard, continental, or Cuban heel. A wrist watch is the only piece of jewelry a business girl should wear.



7. **Good Manners.** In the following very brief discussion of etiquette or good manners, we wish that we had time to tell you of the interesting historical background of most of our present-day good manners; for instance, the origin of the handshake, the lifting of the cap, the man's walking next the curb, waiting for one's hostess to pick up her fork first and so on. If you are as interested in these stories as we think you are, ask your librarian to help you find them.

Have you ever been at a loss as to how to introduce your mother to a teacher or a friend? An introduction should be a natural, friendly gesture rather than the stilted, awkward procedure it many times is. You should always introduce the man to the woman, for example: "Miss Brown, may I present Mr. Smith?" or "Miss Brown, I should like you to meet Mr. Smith" or simply, "Miss Brown, Mr. Smith." You should also introduce a younger person to an older person, and an individual to several people. If you are present at a gathering, and wish to speak to someone to whom you have not been introduced, it is correct to introduce yourself, "I don't believe we've been introduced. I am (or my name is) Mary Smith." When being introduced to anyone, a man should rise if seated, as should a young woman for an older woman, and children for grownups. Well-mannered chil-



dren rise when an older person enters a room and remain standing until the older person is seated, just as men do when women enter a room.

One man will generally shake another man's hand when being introduced. The handshake should be brief but firm. It should be neither like a wet rag nor like a vise. A man should wait until a woman offers to shake hands. Likewise, a younger man should wait until an older man offers his hand. A woman may or may not offer her hand at an introduction. It depends upon circumstances. Men shake hands, it seems, on the slightest provocation. Women on the contrary are not such frequent handshakers. It is just as good taste for a man to bow to another when meeting him casually as it is to shake hands. By bowing is meant a nod of the head accompanied by a smile:



Personal affairs or private matters are not discussed anywhere in public. The well-mannered person attends to his own affairs. He is not concerned unduly about the matters of others and prefers not to be made aware of them.

When entering a train, car, or automobile, a man will always insist that ladies precede him, especially those in his party. When alighting from a conveyance, he will get off first, offering his arm in assistance. He never should take the lady's arm. If she needs assistance, she will lean on his arm. The same procedure applies to the crossing of streets.

Men always rise when ladies enter a room or approach them. They walk near the curb when accompanying one or more ladies and tip their hats when meeting an acquaintance of either party. They open doors for ladies and remove their hats when entering a public building, an office, a home, or an elevator in which ladies are present. In



brief, a man is expected to observe the rules of chivalry which have been the usage of gentlemen ever since the days of old when knight-hood was in flower.

Here are a few more bits of advice to help you observe the social niceties. If you pass in front of a person, excuse yourself. Learn to use "I'm sorry," "Please," "Excuse me," "Thank you," or "I beg your pardon." Do not say "Pardon me." It is considered incorrect. If a door is closed, knock before you enter—and then wait to be noticed. When two people are talking, do not listen to their conversation unless invited to do so.

Do your folks have a car? It is interesting to note how often the ordinarily well-mannered person will become the rudest individual when driving a car. We have all seen times when some slight car mishap resulted in a verbal battle if not in actual blows. Possibly one of the drivers was at fault, perhaps both, or possibly neither, but that seemed to make little difference. If one was wrong, he should at least have been honest enough to say so. The participants in an automobile accident should treat the situation as a



business matter, exchanging courtesy as well as license numbers. If any discussion is in order, it should be indulged in courteously, so that the situation may be handled with consideration and reason, rather than with hot tempers and abuse.

**8. Business Conduct.** Suppose that you work after school, on Saturdays, or during vacations. How should you act in your position? Respect your official superior. You may dislike him or else have no regard for his ability, but remember that you must, as a matter of courtesy, respect his position.

Keep in mind that the office group is selected by reason of their various business abilities, and not primarily because of their social talents, so you may find a queerly assorted group in your office. Your associations with them will be on a business level, so do not become a snob. Be yourself. When asked to do something a little out of your line, do not do it grudgingly or refuse to do it. At some future time, you may have a similar request to make.

Loyalty to your employer is essential. This means that you must not either actually or apparently criticize him or the company in front of others. You must keep his confidence. If you must talk about the office at home, mention only humorous incidents or human-interest stories.

The story is told of an important lawyer's stenographer who, while having lunch with a friend, discussed a very important case that was coming up in a few days. At the next table a law clerk of the opposing attorney overheard the name of an important, surprise witness. He promptly gave the information to his employer with the result that the case was lost for the stenographer's lawyer who, when he heard of the reason for the loss, was so angry that he discharged the stenographer in spite of the fact that she was an extremely capable and otherwise trustworthy person. She had violated the confidence of her employer and so learned her lesson at a bitter price.

Most employers permit their people to accept and send personal telephone messages in the belief that there are occasions when the telephone will be a convenience. This privilege should not be abused by receiving or making frequent personal telephone calls. Business is business.

When speaking over a telephone, be sure to speak distinctly. When calling, give your name and business connection, and indicate to whom you wish to speak. When answering, give your name. In case of a cut-off, remember that the person being called should hang up immediately, so that the caller may try to re-establish the connection. The person calling should be the one to terminate the conversation. Rudeness to anyone over the telephone is one of the worst breaches of etiquette.

## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter :

1. The ability to get along well with people is essential for success in the business of living.
2. Frequently your reputation is judged by the company you keep.
3. A man without friends is like a man without a country.
4. You can start today to develop traits which will help you in your dealings with people.
5. Honesty, generosity, tact, reliability, and a pleasant disposition help to make and keep friends.
6. Home is the best place to practice self-improvement habits.
7. Good manners are always an asset.
8. You cannot expect to have one set of manners for everyday use and one set for Sundays and holidays.
9. There is a time and place for everything.
10. Good manners are always in good taste.



## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-18 are placed in a box. Each

contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. As long as you earn enough money, it is not necessary to get along well with people. Discuss.
2. "Birds of a feather flock together." Tell the class a short story to illustrate the meaning of this saying.
3. Name five qualities which are necessary for success in getting along with people.
4. High-school girls should not use make-up. How do you feel about this statement? Why?
5. Gum chewing in public should be forbidden by law. Discuss.
6. Name five annoying mannerisms which you have noticed in others.
7. Assume that you have a bad habit. How can you break it?
8. Be honest. Are you generally well-liked among your companions? Why?
9. Are you a good sport? Give a situation to illustrate the meaning of a "good sport."
10. What are some ways of showing someone that you would like to be friendly?
11. How is your disposition today? How is your disposition usually?
12. Think of someone you admire very much. Why do you admire that individual?
13. Suppose you were asked to name the student in this class who, in your opinion, is most likely to succeed. Whom would you name and why?
14. We must get along with people or we will not get along. True or false? Why?
15. "Tactfulness is the art of making folks round you think they amount to something." What is the meaning of this quotation?
16. Assume that you have made a favorable impression on a family that has just moved into your neighborhood. How can you make the impression a lasting one?
17. How does a sense of humor help to overcome difficulties? Illustrate.
18. Thomas Edison once said, "Genius is about two per cent inspiration and ninety-eight per cent perspiration." Do you agree with this statement? Why?







## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

accessories	conscientiously	gruff	procedure
achieved	conspicuous	humorous	qualifications
apologies	criticize	jabbed	resemblance
association	disapproval	odors	signature
awkward	efficiency	overbearing	slightest
begudgingly	eliminated	participants	squabbles
blustery	err	patient	stilted
boulevard	etiquette	permissible	stomach
bracelets	familiar	physician	straight-forward
ceilings	foreigner	pouty	sufficient
chiffon	gaudy	pressure	sulky
circumstances	gesture	privilege	technical



### THE FIRST OF THE THREE R'S—READING

affection	congeniality	harmony	nonchalant
apparently	conscious	implicit	prevails
associates	cosmetics	indisposition	provocation
bluntly	exterior	influenced	refrain
breach	generosity	mature	ruddy
casual	graciously	narrating	sarcasm



### THE SECOND OF THE THREE R'S—WRITING

These four letters begin and end with a very simple type of stroke. It is necessary that you learn to dot your *i*'s and cross your *t*'s with care.

Trace the single letters with a dry pen or some similar article in order that you may become familiar with the *feel* of the letter.

On a sheet of ruled paper write the four single letters, using great care with the beginning and ending strokes. Write the ten words, making sure that they are spelled correctly. Are you sitting in a comfortable position and are the nails gliding across the paper as you write? Study the slant and the spacing of the letters to be sure that the beginning and ending stroke of each word is clear and distinct.

*v w u t*

- |                       |                      |
|-----------------------|----------------------|
| 1. <i>immediate</i>   | 6. <i>understand</i> |
| 2. <i>inclined</i>    | 7. <i>usually</i>    |
| 3. <i>information</i> | 8. <i>written</i>    |
| 4. <i>interrupt</i>   | 9. <i>wonder</i>     |
| 5. <i>intimate</i>    | 10. <i>telephone</i> |

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Think of the people with whom you come in contact during a week.
- (b) Make a list of all these people and indicate what your relationship to them is. Classify your relationships as:
  - Close*—Members of your family and close friends.
  - Business*—School or community relations.
  - Casual*—People whom you meet once in a while.
  - Distant*—People whom you seldom see.

### Job 2—

- (a) Think of all the friends you have ever had.
- (b) Make a list of these friends.
- (c) Next to each name indicate how close your friendship is or was.
- (d) Also indicate how your friendship started.
- (e) Analyze your friendships of long standing to determine why they have lasted.

Job 3—

- (a) You want to obtain the reputation of being a “square shooter.”
- (b) Prepare a check list of the characteristics which an honest person displays. Set it up in this way.

PLAYING FAIR AND SQUARE

Characteristic	Description	My Rating
		Below Average, Average, Above Average

- (c) Rate yourself.

Job 4—

- (a) You have heard a great deal about being tactful. Review the material in your text on tact.
- (b) Make a list of illustrations of tact which you have observed in your own experience. You may include illustrations in which people were tactless.
- (c) Prepare a class report on tact.

Job 5—

- (a) Your father always insists that reliability is the cornerstone of success. He says that an unreliable person cannot possibly succeed. What does he mean when he says “unreliable”?
- (b) Prepare a list of the characteristics a reliable person should possess.
- (c) Rate yourself in this respect.

Job 6—

- (a) Prepare a master check list of all the qualities necessary for success in dealing with others. Set it up in this way.

DEALING WITH PEOPLE

Quality Needed	Main Characteristics	My Rating
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- (b) Complete the chart.
- (c) Rate yourself.

Job 7—

- (a) Review the material on home relations.
- (b) Prepare a check list to show the information in this way.



IDEAL HOME RELATIONS

Activity	Description
----------	-------------

- (c) Complete the chart.
- (d) Rate yourself on home relationships.

Job 8—

- (a) At various times, you have probably been reminded about biting your fingernails or twirling a watch chain.
- (b) Make a list of all the bad habits you know you possess.
- (c) Discuss this list with your family, friends, and teachers.
- (d) How can you overcome these mannerisms? Make a definite plan and follow it.

Job 9—

- (a) You are interested in learning how to make proper introductions. Write out the complete introduction in each of the following situations in this job.
- (b) Your mother visits your class and you introduce your teacher, Miss Young Lady, to her.
- (c) Your mother also visits Mr. Teacher's class. Introduce him to her.
- (d) You go to the office with her to have her meet the Principal, Miss Elderly Lady. Introduce them.
- (e) Introduce Robert White to your friend Mary Green.
- (f) Introduce your younger sister to the teacher in (b).
- (g) Introduce your friend Robert White to the teacher in (c).
- (h) Practice these introductions in class.



Job 10—

- (a) Review carefully all of the material on manners.
- (b) Prepare a master check list of good manners in this way.



GOOD MANNERS

Occasion	Proper Behavior	My Rating on Such an Occasion

- (c) Complete the chart.
- (d) Rate yourself.

Job 11—

- (a) Your study of manners has interested you in the question of table manners. Visit your school or town library and obtain a book on etiquette or manners.
- (b) Make a list of several correct table manners.
- (c) Present this report to your class in the form of a demonstration.

Job 12—

- (a) Do you do your share of the work at home? Notice we did not say homework. We said and meant work at home for the benefit of your family.
- (b) Make a list of all the jobs you do around the house and how often you do them.
- (c) Which jobs do you shirk? Why?

Job 13—

- (a) Every night review the work of the day by asking yourself: What did I learn? What did I accomplish? How did I help others? Did I hurt anyone? What was the happiest event of the day?
- (b) Prepare this report for a week.
- (c) Discuss it with your teacher.

Job 14—

- (a) Collect pictures, cartoons, and clippings which illustrate personal traits necessary for getting along with others.
- (b) Prepare a class exhibit of this material.



Job 15—

- (a) Select the name of a well-known person whom you admire. Discover what you can about the life of the person admired.
- (b) You may select one of the following or make your own selection:

Wilfred Grenfell  
Lillian Wald  
Helen Keller  
George W. Carver  
Glenn Cunningham  
Knut Rockne

Richard E. Byrd  
Albert Einstein  
Marie S. Curie  
Henry Ford  
Thomas Edison

- (c) Prepare an interesting class report.

- (a) Using the qualities necessary for success construct an acrostic. Choose words like honesty, generosity, or courtesy. Here is an illustration.

T—To save something no matter how little you make is a good rule.

H—Hope is a good breakfast, but a poor supper.

R—Right now is the time to form right habits.

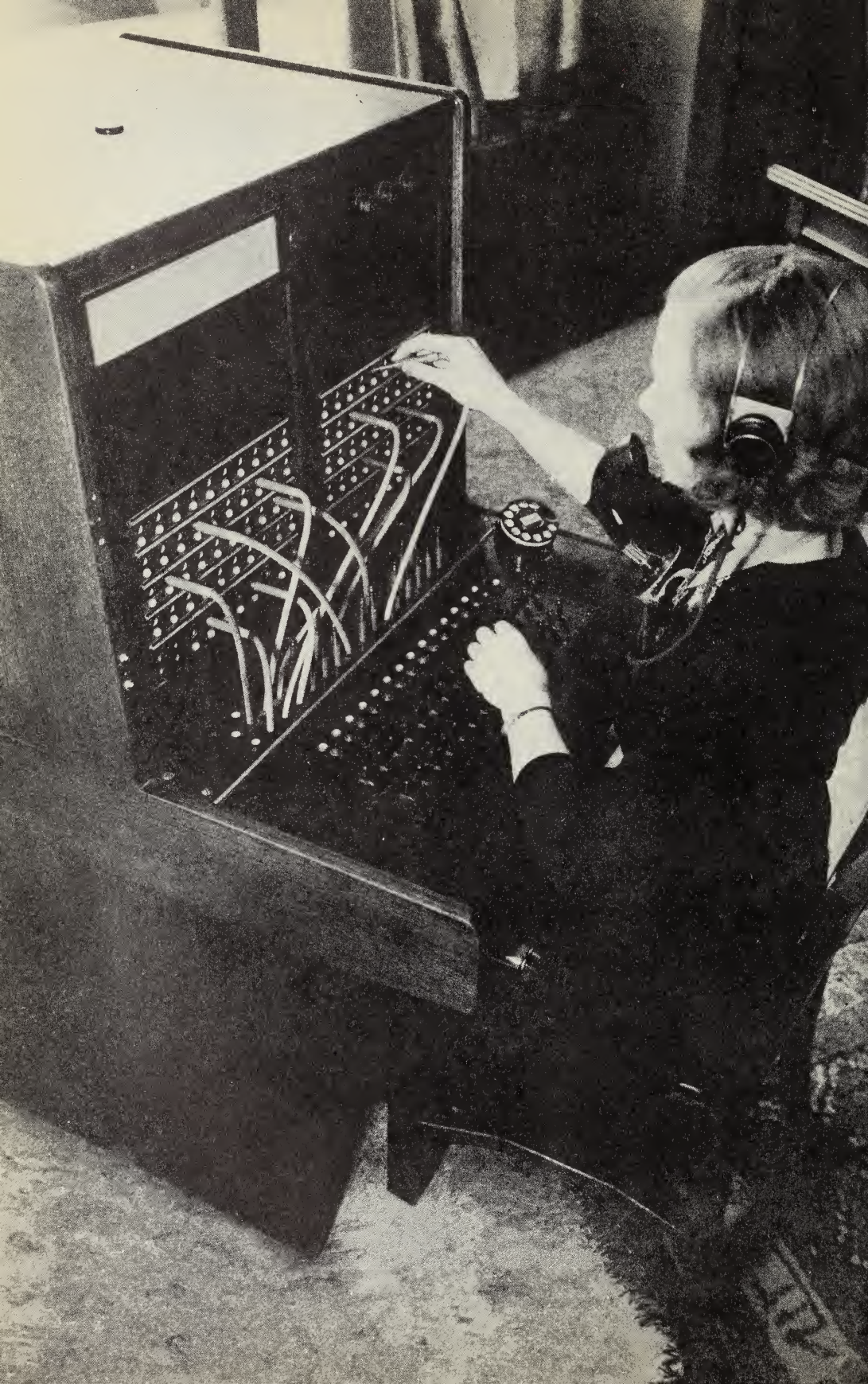
I—It is your duty to avoid waste.

F—First budget, then spend.

T—Time and tide wait for no man.

- (b) Prepare three acrostics.  
(c) Make a poster of one acrostic.







### III

## COMMUNICATION CONTACTS BY WIRE AND AIR

**STOP! THINK!** *Can you answer these questions before you read this chapter?*

1. *How much more work would it cause you if you had to deliver in person all of the messages sent by your family during one week?*
2. *If you obtained a part-time job which required using the telephone, would you know exactly what to do and how to do it efficiently?*
3. *Are you acquainted with the telephonic and telegraphic services which are available for your use?*

### PART ONE: THE TELEPHONE

1. **You and the Telephone.** The telephone is in such common use today that it seems hardly necessary to spend much time in giving you information about it. However, as is the case with anything in common use, we are apt to take it for granted and do little about learning to use it correctly. Even if you do not have a telephone at home, you should know how to use it effectively and with ease. This knowledge will serve you well in your daily life even if you never enter the business world.

It goes without saying, of course, that if you ever have any business dealings at all, you should learn proper telephone procedure while you are still in school. Most people will assume that you know how to use a telephone. You might therefore find it embarrassing to be forced to say, "I cannot make out what the customer on the other end wants. I have not used a telephone very much." Or on another occasion, "How do you use this dial phone? I do not know much about telephones." Telephone knowledge is useful. Why not

begin to learn this very moment? A little attention and effort at the present time will guarantee to you the use of a lifetime skill.

Today, the telephone fills such a vital need in the social and economic life of the country that it does not seem possible that the art of voice communication over wires is still young. Many people can recall the days when Alexander Graham Bell worked day and night lecturing about the telephone with which he had transmitted the first complete sentence on March 10, 1876, and demonstrating its use in an effort to persuade the sceptics and doubters that his invention was not a toy, but an instrument of tremendous promise.

From Bell's first crude telephone has come the system of communication that has transformed America into one huge neighborhood and has reached out across the seas to bring distant continents within speaking range of each other. Indeed, if telephone service in this country were to be seriously crippled for even a short period of time, the wheels of industry and business would slow down almost to a standstill and the daily routine of our lives would be upset.

Because of the great importance of the telephone to all of us, we should know something about the types of service that are generally available, and the proper ways of using this service to make the telephone still more valuable to us.

2. **Selecting Your Service.** We shall assume that you wish to know how to use the telephone. Although there may already be a telephone in your home, we shall start by sending you to a telephone business office with the intention of becoming a subscriber, that is, a person who *rents* the equipment and services of a telephone company. If you do not know the location of the business office in your community, you can get the information from a telephone directory.



The telephone company in your community undoubtedly has wire connections with a national



*Telephones of yesterday and today. Bell's model of 1875 and the combined type.*

and international system. This means that over your own telephone you can place a call to any subscriber in the United States, to a traveller at sea, or to a foreign country.

When you notify the company that you wish to have a telephone installed, one of the first things you will be asked is what kind of service you wish. If you need the telephone in a residence or in an apartment and it is to be used primarily for social and domestic purposes, your service will be classified as *residence service*. But if you need the telephone for your place of business or for business use in your home, you would be given *business service*, and the rate would generally be slightly higher because average usage on business telephones is greater and the service is of greater value to the subscribers. Or you might apply for a semipublic *coin-box service*. This is provided in such places as restaurants, beauty parlors, and stores, where customers of the subscriber may wish to use the service.

Another thing to be determined is whether you want *individual- or party-line service*. Individual-line service gives the subscriber complete use of one or more lines to the central office. Party-line service is available for those willing to share the use of a line with

one or more other subscribers. Except in rural areas where as many as eight or more subscribers may share one line, party-line service is ordinarily limited to two or four parties on a line. Where two or more customers share a line and certain equipment, the company is able to furnish party-line service at a lower charge per customer than is the case with individual lines. This makes telephone service available to customers who otherwise might not be able to afford it. Party-line service is usually available for residences, but in many localities is not furnished to business subscribers.

Party-line service cannot be as satisfactory as an individual line, and its value depends largely upon the co-operation of the users of the line. It is expected that each party will make reasonable use of the service and will give immediate right of way to emergency calls. You understand of course that when one party on a party line is using his phone, the other must wait until he has finished. If you do not make or receive many calls, a party line, at a low rate, may meet your needs. If, on the other hand, you make or receive many calls, the extra cost of an individual line may be more economical. It is not fair to others to tie up the other subscribers on a party line while you engage in a long conversation.

There are still other classifications of service to meet individual requirements: *message-rate* and *flat-rate service*. Message-rate service, which is available to business subscribers generally and to residence subscribers in some localities, entitles the customer to a certain number of local calls per month. You are charged for the additional messages above this quota. If you are entitled to sixty calls per month and make eighty-three calls, you will be charged for twenty-three extra calls. Your local calls are recorded by operators or are registered automatically on meters connected to the lines in the central office. Incidentally, where message registers are used, pictures are taken of the meter readings by special cameras in order to avoid mistakes due to human errors.

If you should choose the flat-rate service, you will have the right to make an unlimited number of local calls without extra charge. The rate for this type of service is naturally higher than for message-rate service. It is available to residence subscribers generally, and to busi-



ness subscribers in some sections. You pay so much a month regardless of the number of local calls which may have been made.

You may live in a community where a type of service known as *extended-area service* is offered. This service extends your local calling area to include near-by points so that calls which would otherwise be toll calls are considered as local calls. There is a slightly higher charge for this type of service, which was designed to serve the suburban communities surrounding a large city.

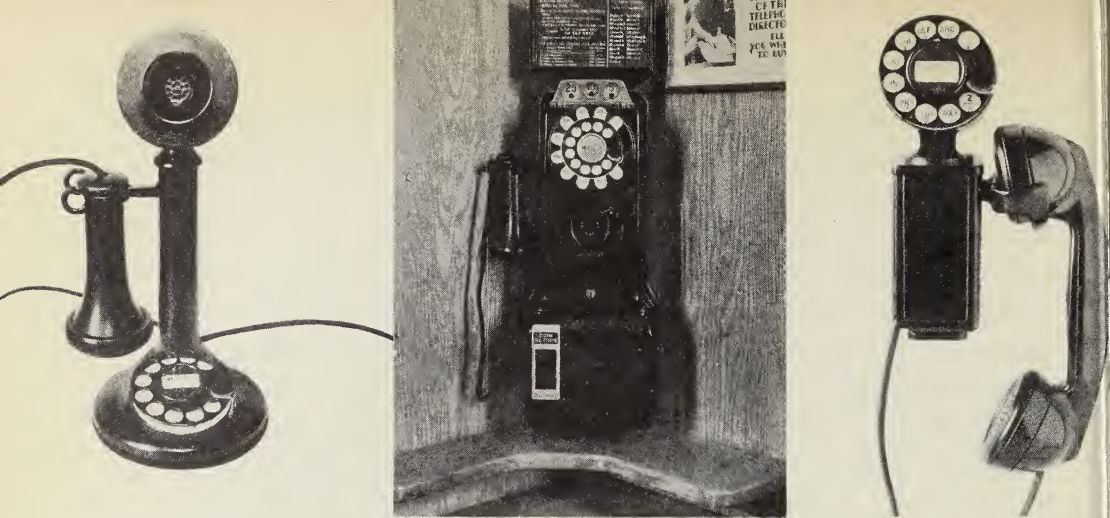
The type of service which you select should depend upon your telephone needs. Message-rate service, if available, is usually the wisest selection if you desire to make comparatively few local calls. For anyone making many local calls every month, it is usually cheaper to take flat-rate service. Extended-area service is best for those who frequently call points beyond their own community, because the elimination of the toll charges usually saves more money than the increase in the monthly rental for this service.

**3. Choosing Your Equipment.** Having examined the classes of service available, let us consider the types of equipment and systems from which you may choose.

First of all, the two types of telephone instruments in most general use are the *desk stand*, with separate transmitter (mouthpiece) and receiver, and the *hand telephone*, with the combined transmitter and receiver resting horizontally in a cradle. Recently a new type of hand telephone known as the *combined* telephone set, which has the bell in its base instead of in a separate bellbox, was introduced.

Also, there is the *portable telephone*, either desk stand or hand telephone, which may be carried from room to room and plugged into any one of perhaps several telephone outlets in various parts of the house, just as an electric lamp is connected to any electrical outlet. Portable telephones are often used in homes having guest rooms where it would not be worth while to install permanent extra telephones for occasional guest use.

Another popular type of telephone is the *hang-up* type of hand set. This instrument is fastened on the side of a desk or cabinet, or on the wall, with the receiver hanging vertically on its hook instead of resting in a cradle. Many housewives use this type of telephone



From left to right: the desk stand, the coin box, and the hang-up dial.

in their kitchens where space is limited, and it is also popular with businessmen who wish to keep the tops of their desks clear.

Still other types of telephone instruments are the *coin-box telephones* with coin-collecting devices, frequently installed in booths, *wall sets* fastened to the wall, and *outdoor telephone sets* designed with a weatherproof covering for use at locations where they are exposed to the weather—at taxicab stands, for instance.

We have mentioned the use of more than one telephone on the same premises. When a subscriber has several telephones on his line, one is known as the *main station* (main connection), and all the others are called *extensions*. Calls may be made or received at any one of these telephones—in the living room, kitchen, and bedroom, for instance. Extensions are popular because they save steps, particularly if the main station is on the first floor of a residence, and there is an extension upstairs. They afford opportunity to hold a conversation apart from family or guests, and provide added protection should fire break out during the night or should an intruder break in. In an office extension telephones may be placed on several desks in convenient locations.

In many business establishments switchboards of varying sizes are installed to handle calls to, from, and between the telephones in the building. Business establishments having these boards, known as *private branch exchanges* or *P.B.X.'s*, employ their own operators.

It is interesting to note that *P.B.X.* systems vary in size from those having only a half-dozen or so telephones to systems having as many telephones as a fair-sized town. Large department stores, for instance, often have dial intercommunicating systems (connecting telephones in the store) as well as large switchboards to handle incoming and outgoing calls. Anyone in the store can call any other extension or any outside number.



*Cradle type—another dial.*

Somewhat similar to *P.B.X.* systems are the switching-key arrangements available for many purposes and conditions. By merely flipping a key or pressing a button, it is possible to cut off a bell or a telephone or both in order to prevent interruption, to secure privacy, or to limit the use of the telephone. Arrangements can be made to hold a call received at one telephone, so that the same instrument may then be used to make another call, while the first call is being held. It is possible to communicate with other telephones on the premises over a special inside wire without calling the operator. As an example of how such an arrangement might be used, let us suppose that an office secretary answers an incoming call. Finding that it is for Mr. Jones, she presses a button that sounds the buzzer at the telephone in Mr. Jones' office. She holds the outside call while telling Mr. Jones over the intercommunicating system that there is a call for him, and, as soon as he picks up the calling party, she hangs up.

4. **Deciding on Your Call.** Just as there are many kinds of telephone equipment to meet different needs, so also are there a number of different kinds of calls.

You are most familiar with the *local call*, which is one made within the local-service area.

*Toll* and long-distance calls are those to nearby points outside the local service area and to points at greater distance for which there is always an extra charge. There are several classes of these calls. If



DAY except SUNDAY*	NIGHT and SUNDAY*	BETWEEN THESE POINTS
<b>\$ .50</b>	<b>\$ .35</b>	Detroit, Mich. . . . . Cleveland, Ohio Baltimore, Md. . . . . Philadelphia, Pa. Cincinnati, Ohio . . . . . Louisville, Ky. Boston, Mass. . . . . Hartford, Conn.
<b>.75</b>	<b>.45</b>	Pittsburgh, Pa. . . . . Buffalo, N. Y. Kansas City, Mo. . . . . Omaha, Neb. Little Rock, Ark. . . . . Shreveport, La. Chicago, Ill. . . . . Indianapolis, Ind.
<b>1.00</b>	<b>.60</b>	Butte, Mont. . . . . Spokane, Wash. Philadelphia, Pa. . . . . Boston, Mass. Lansing, Mich. . . . . Wheeling, W. Va. Trenton, N. J. . . . . Concord, N. H.
<b>1.50</b>	<b>.90</b>	St. Louis, Mo. . . . . Detroit, Mich. Portland, Me. . . . . Washington, D. C. Topeka, Kan. . . . . Chicago, Ill. Milwaukee, Wis. . . . . Pittsburgh, Pa.
<b>2.00</b>	<b>1.20</b>	Atlanta, Ga. . . . . Kansas City, Mo. San Francisco, Cal. . . . . Phoenix, Ariz. Toledo, Ohio . . . . . Sioux City, Iowa Dover, Del. . . . . Nashville, Tenn.
<b>3.00</b>	<b>1.80</b>	Seattle, Wash. . . . . Denver, Colo. New Orleans, La. . . . . Minneapolis, Minn. Raleigh, N. C. . . . . Wichita, Kan. St. Paul, Minn. . . . . Salt Lake City, Utah
<b>4.00</b>	<b>2.50</b>	Newark, N. J. . . . . Fort Worth, Tex. Los Angeles, Cal. . . . . Des Moines, Iowa Denver, Colo. . . . . Buffalo, N. Y. Pierre, S. D. . . . . New York, N. Y.
<b>5.00</b>	<b>3.25</b>	Chicago, Ill. . . . . San Francisco, Cal. Salt Lake City, Utah . . . . . Washington, D. C. Providence, R. I. . . . . Santa Fe, N. M. Portland, Ore. . . . . Memphis, Tenn.
<b>6.00</b>	<b>4.00</b>	Miami, Fla. . . . . Los Angeles, Cal. Washington, D. C. . . . . Reno, Nev. Oakland, Cal. . . . . Columbia, S. C. Boston, Mass. . . . . Spokane, Wash.

\* 3-minute station-to-station rates. Night rates are in effect from 7 P. M. to 4:30 A. M. every night and all day on Sunday.



*Night rates are bargain rates.*

you do not wish to reach a particular person and are willing to talk with anyone who answers, you make what is known as a *station-to-station* call. All you need do is give the operator the telephone number you are calling, or if you do not know it, the name and address of the person whose telephone you wish to reach. The timing and charging on this kind of call begin as soon as the called telephone is answered. A station-to-station call is the simplest and least expensive type of long-distance call. If no one answers at the other end, there is no charge for the service.

When you wish to talk with one particular individual, it is usually best to make a *person-to-person* call. In such a case you give the operator the telephone number or the street address and the name of

the person to whom you wish to talk, telling her that it is a person-to-person call. The timing and charging of your call begin only when the person named comes to the telephone. Because it is the telephone company's responsibility to bring the called person to the telephone, the rates on such calls are slightly higher. If the desired person cannot be located and the call is cancelled, a small *report charge* is made. No report charge is made, however, if the called line does not answer.

*Collect calls* are those in which the operator is asked, when the call is made, to reverse the charges. That is, the person receiving the call is asked to pay for it. If he accepts, he will be billed accordingly. If he does not accept and if the calling party does not agree to pay for completing the call, a report charge is collected from the caller.

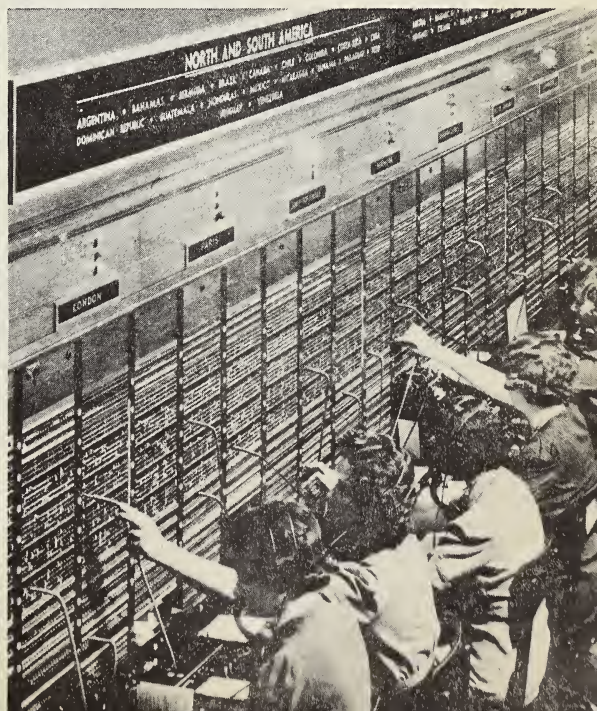


Day rates apply on any calls made between 4:30 A.M. and 7:00 P.M. on weekdays. Night rates, which are from 10 per cent to 40 per cent lower than day rates, are in effect from 7:00 P.M. to 4:30 A.M. every night and all day on Sunday. These reductions usually do not apply to calls for which the initial station-to-station rates are 35 cents or less, and person-to-person rates of 50 cents or less. In other words, the rate on a 30 cent call is always 30 cents, while a 40 cent station-to-station call may be reduced to 35 cents after 7:00 P.M.

Some day you may have use for still another kind of long-distance call in which a number of persons in different parts of the country carry on a conversation on a single telephone connection. This is known as *toll conference* service. Everyone on the connection can hear and be heard by everyone else. Businessmen with widely scattered branch or sales offices often use this service to announce such things as price changes or new models. In recent years many residence subscribers have found it ideal for holding family "reunions" to celebrate such occasions as birthdays and anniversaries. As an example of its business use, the General Manager of a chain-store system in St. Louis can talk at the same time with the managers of several stores scattered throughout the United States.

In addition to regular long-distance service, it is possible to talk by wire and radio telephone circuits with persons in about seventy

*Overseas-telephone service: the antennas and the switchboard.*





Carriages.

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978-SpringfieldAveIrving ES sex

Banks-See Poultry

See Children's W

Moulded

Shop  
77Cornelia BO outr

Pine Pln MO rstrn

Don MO rstrn

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# JOHNNY'S FOOD

## WE DELIVER

THOMAS AND  
MT. PLEASANT AVE. WHIPP

Young P L R 8-StonehillPark WE stld 2-4061-R

Young R C 6-11LawnsidePl WE stld 2-4065

Young Thos O R 720Covide WE stld 2-2242

Young Tom W R 709Embire crescent WE stld 2-3145

Young W W Jr 8-DeerPathMtsd WE stld 2-3916-M

Y W C A Clark WE stld 2-1818

Zabriske H L Mrs F WE stld 2-3518

Zaehring E Mrs R WE stld 2-3518

Zega Quality Bkry 840NorthAve WE stld 2-3518

Zeiller O J 466CharmingAve WE stld 2-3518

Zeitelback Chas &amp; Sons painters WE stld 2-3518

Zelman N R 631LenoxAve WE stld 2-3518

Zennario A Miss R 311CentAve WE stld 2-3518

Zeuner H R 413BensonPl WE stld 2-3518

Ziegler R M R 48Stanley oval WE stld 2-3518

Zimmer M J R 201WYoming WE stld 2-3518

Zimmer W Miss R WE stld 2-3518

Zimmerman B R 700WYoming WE stld 2-3518

Zimmerman S A R 259Hd WE stld 2-3518

Zinkann Clarence H R WE stld 2-3518

Zipf Fred W Jr R 78 WE stld 2-3518

Zobell Electric Motor WE stld 2-3518

Zotbisch A T R WE stld 2-3518

Zukowski B Mrs WE stld 2-3518

Zwemer R A M WE stld 2-3518

Zwemer R A M WE stld 2-3518

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## BIRDS EYE

### FROSTED FOODS

Winn H A R 8-PoplarAve WE stld 2-2981-J  
Winter Anna C R 855Main WE stld 2-0200  
Winter Anna C R 121Marlboro WE stld 2-1165  
Winter Ernest S R 130Acacia rd WE stld 2-0459  
Winter Fred K R 128ScPl ar WE stld 2-0869-R  
Winter Travel Bureau 535Main WE stld 2-0200  
Winter Wm H R 351- WE stld 2-0243-M  
Wintzer R C R 2051NwAveScotPln WE stld 2-4162-R

Wintzenried J J R 884Dorian WE stld 2-3150  
Wirth Geo R 748Main WE stld 2-0643  
Wirth Jno W R 511ColemanPl WE stld 2-0456  
Wirth's Bakery 117Broad WE stld 2-4189  
Wise Edmund M R 751CrescentPkwy WE stld 2-4643  
Wistar C R 210Main WE stld 2-1774

Wittack W J Mrs R MorseAvePl WE stld 2-4278  
Witte A T Miss R 630ArginAve WE stld 2-0260-R  
Wittke John M R 431Hd WE stld 2-4181  
Wodrop Wm H R 981RahwayAve WE stld 2-1659  
Woldt E R Mrs R 300CenterGar WE stld 2-2524-M  
Wolf Theo R R 833-SummitAve WE stld 2-3062-M

Wolf Arthur R R 929IrvingAve WE stld 2-3361-M  
Wolff D R 2385EdgewoodAve WE stld 2-3223-J  
Wolff G A R 217Charles WE stld 2-1146-R  
Wolff H J R 645Shadowlawn dr WE stld 2-4257-R  
Wolff W C R 738EBroad WE stld 2-4257-R  
Wolfs Wilfred H R 532WoodlandAve WE stld 2-2248

Working Clifford G R 422LindAve WE stld 2-4738-M  
Wood Brook Farms PlainfieldAve WE stld 2-4738-M  
From Westfield Telephones Only Call WX-2030  
Wood C A R 206PhidAve WE stld 2-4513-J  
Wood Chas H R 1116NapierHillAve WE stld 2-4256-M

Wood E M R 1723Florida WE stld 2-0253-J  
Wood Fiske M D R ColesAve WE stld 2-4036-W  
Wood Fredk J Mrs R 501EdgarRd WE stld 2-1453-J  
Wood Geo W R 643NormanPl WE stld 2-0836  
Wood Harrison W R 420WychwoodRd WE stld 2-2928

Wood Horace E R 722Main WE stld 2-3344-J  
Wood Kenneth H R 532Colum pl WE stld 2-0820  
Wood M H R 1408Pln WE stld 2-1463  
Wood M R 646NthAve WE stld 2-1933-J  
Woodbury Chas F R 515DudleyCt WE stld 2-0923-M

Woodhead F A R 1Pascarella WE stld 2-0923-M  
Woodrow R Miss R 201Cltn WE stld 2-0923-M  
Woodruff C A R 847EmbireCres WE stld 2-0923-M  
Woodruff Warren V R 315Wash WE stld 2-0923-M  
Wood R E R 623DrakePl WE stld 2-0923-M

Woods E R R 676-SummitAve WE stld 2-0923-M  
Woods Geo R 673HallowayAve WE stld 2-0923-M  
Woods D P R 305WychwoodRd WE stld 2-0923-M  
Woodward E C R 530PKway WE stld 2-0923-M  
Woodward Susan M Mrs R 726SandwichAve WE stld 2-0923-M

Woolhouse Thos L R 620LenoxAve WE stld 2-0923-M  
Woolley Paul S R 725BelvidAve WE stld 2-0923-M  
Woolworth F W Co 151EBroad WE stld 2-0923-M  
Worth C P R 640-StMarkAve WE stld 2-0923-M  
Worth G B R 677NorthAve WE stld 2-0923-M

Worth G C Jr R 805Main WE stld 2-0923-M  
Worth Geo B eney 100 WE stld 2-0923-M  
Worth J H of 115Main WE stld 2-0923-M  
Res 7BalmiereRdNo-F WE stld 2-0923-M  
Wright's Dress Shop WE stld 2-0923-M  
Wray Thos R 622Main WE stld 2-0923-M  
Wright Albert W R WE stld 2-0923-M

Wright D L R 30 WE stld 2-0923-M  
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different foreign countries in South and Central America, Europe, Asia, Africa, Australia, and on many islands. Also, many boats and ocean liners are equipped to permit passengers to make and receive telephone calls while at sea.

There are times in the lives of most people when the telephone becomes more than a convenience and energy-saver. A child may become ill in the night and a doctor may have to be reached quickly. Or perhaps the smell of smoke and the crackle of flames arouse a household to its peril, and those minutes saved in reaching the fire department may spell the difference between slight damage and total loss.

In such emergencies, all that you need to do is to call or dial the operator and say, "I want to report a fire" or "I want an ambulance" or "I want a policeman." When making any sort of emergency call, be sure to give the operator your address and telephone number and remain at the telephone until the party you are calling answers.

**5. Looking up Your Number.** For ordinary, everyday use of the telephone it is always best to look up any number you wish to call in your telephone directory unless you keep an up-to-date reference list of those numbers which you frequently call. Do not trust your memory. It is very easy to twist numbers. One-six-five-three can easily become one-five-six-three.

Every subscriber is supplied with a local directory which covers the city, the county, or another subdivision of the state. Directories for other localities may be obtained through the business office, in some cases at a small charge. A telephone directory usually has three sections. In the front of the book is the *Information Section* which tells how to make calls, lists the rates for calls to certain points, and gives valuable general information about telephone service. Following this section is the *Alphabetical Section* or list of subscribers. It is arranged alphabetically and shows the address and telephone number of each. Finally there is the *Classified Section* which shows, under various classifications—accountants, adding machines, advertising, and so forth—the names of business subscribers. This section is used as a shopping guide, as it shows where to find, buy, or obtain a desired article or service.





*Operators answering calls for information.*

The size, form, and arrangement of directories are not uniform throughout the country. Some directories have a *Suburban Section*, including the listings of subscribers in surrounding towns. In some localities the Suburban and Classified Sections are printed in separate books.

Subscribers may also rent street-address directories for many of the larger cities. These directories contain listing information arranged alphabetically by street name and sub-arranged by house number. They are of particular value in the preparation of canvass lists for door-to-door selling, direct-mail advertising and in checking the accuracy of customer names when the addresses are known.

Sometimes a number you wish to call is not included in your directory. Perhaps the person with whom you wish to talk lives outside the area covered by your directory, or possibly he has had a telephone installed since the publication of the book. In such a case you may obtain the number by calling or dialing for *Information*.



6. **Making Your Call.** After you are sure of the number you want, you are ready to make the call. In calling from a manual telephone (without a dial), lift the receiver and listen for the operator's, "Number, please." (In a few localities the operator is still signalled by turning a crank on the side of the telephone before lifting the receiver.) Then give the operator the number, being careful to pronounce the name of the central office and each digit of the number as distinctly as possible. As an example, suppose you are calling Market 4-5130. For best results give it this way: "Market four (pause), five, one (pause), three, oh." If you are calling Mitchel 3-0800 say, "Mitchel three (pause), oh, eight hundred." Waverly 2-9000 should be, "Waverly two (pause), nine thousand." Spring 9-0072 should be, "Spring nine (pause), oh, oh (pause), seven, two." Yonkers 9970W should be, "Yonkers (pause), nine, nine (pause), seven, oh (pause), W." Pronounce and enunciate each number and letter carefully. If you listen carefully to telephone operators, you will notice that they exaggerate some sounds which are easily confused with other sounds. An operator pronounces W, as "Double-you," R, as "Ahr," and J, as "Jay." She says "wun" for 1, "th-r-ee" for 3, "fo-wer" for 4, "fi-iv" for 5, "sev-en" for 7, and "ni-yen" for 9. The exaggeration of these sounds reduces errors and wrong numbers.

Within a few seconds after the operator's "Thank you," you will hear the ringing signal, a "burr-rring" sound usually repeated at regular intervals, indicating that the called telephone is being rung. Or you may hear a "buzz-buzz-buzz" sound, which is the busy signal, meaning that the line is in use. In localities where these audible signals are not provided, the operator will tell you if the line is busy.

In using a coin-box telephone, read the instructions on the instrument before trying to make a call. The majority of coin-box telephones today are of the *prepayment* type—that is, you deposit a coin to get the operator. If you do not get your party, the operator will refund the coin. Some coin-box telephones, however, are of the *postpayment* type. With this type you should not make a deposit until asked to do so by the operator after she has reached the number you have given her. She has no way of making refunds should you deposit your coin before told to do so.



*It is very simple to use a dial telephone if you know the alphabet and follow instructions.*

There is nothing difficult about making calls from dial telephones, provided you follow a few simple instructions. Suppose you wish to call MONTclair 5-1306R. First lift the receiver and listen for the dial tone—a steady humming sound which indicates that the equipment is ready to take your call. Place your finger in the opening over the letter “M” and pull the dial around until you strike the finger stop. Remove your finger and let the dial return to its original position. It will return quickly.

In the same manner, dial the black letter “O,” the red figures “5-1-3-0-6,” and the black letter “R.” Be careful not to hurry or retard the return of the dial to its normal position. Then listen for the ringing signal or the busy signal described above. In some localities no letters are used in dialing. In others it is necessary to dial the first two letters of the desired central office; in still others the first three letters. However, these variations should cause no difficulties, since the directory tells you what letters, if any, to dial by printing these letters in heavy black type—for example, “RITTenhouse 0050, for which you dial “R-I-T-0-0-5-0.”

In making an emergency call, in getting the assistance of the operator, or in making a toll call (outside the direct dialing area), simply dial “Operator”—the single red figure 0 or zero. Special code numbers, shown in the front of the directory are used for dialing Information, Long Distance, Business Office, and Repair Service.

Should you make an error in dialing or if your finger should slip while dialing, replace the receiver for a few seconds and then dial the complete number again. It is not necessary to hurry while dialing.

**7. Telephone Techniques.** After having called your number there are still many things to know and remember. Most telephone

users realize how important it is to make a habit of proper telephone etiquette when making calls. Business concerns, in particular, stress this phase of telephone usage in training employees who will have frequent occasion to use the telephone. An employer can recognize how effectively you have been trained the first time he hears you make or receive a call.

Telephones should be answered as promptly as possible. Customers who become impatient by delays may hang up if kept waiting too long. It is always a good rule to "be quick to answer when called, and slow to hang up when calling."

In answering the telephone, avoid the meaningless and time-wasting, "Hello." Instead, identify yourself immediately by saying, for example: "This is Main 2525, Miss Jones speaking" or "A. B. Company, Mr. Brown" or "Service Department, Miss Williams speaking." At home, you might answer by saying, "This is Orange 6-6178" or "This is Mr. Owner's home" or "Tom Owner speaking."

Talk distinctly in a normal tone of voice directly into the telephone with your lips about half an inch from the mouthpiece. It is difficult to be understood if you talk too fast, shout, or have a pencil, cough drop, or candy in your mouth while talking. It may seem strange but your voice carries better over the telephone when you speak in a normal tone than when you shout at the top of your lungs.

It is important that your voice be pleasant. You want your customer or friend to feel that you are courteous, friendly, interested, and cheerful. The tone of your voice will clearly reveal your mood and attitude to the person on the other end of the wire. You have probably heard the expression, "The voice with the smile wins."

Avoid needless repetitions, the use of technical terms which the customer may not understand, and the use of slang expressions. Also, avoid the transferring of calls, whenever possible, by offering to call the customer back as soon as you have obtained the desired information. If he prefers to hold the line while you are transferring him, make certain that he is transferred to the right party. Do not leave the customer waiting on the line without explaining clearly to him what you are going to do. For example, instead of saying "Hold the line," say to him, "if you will hold the line a moment, I'll be



glad to see if we have a record of your last payment." If a call is for your father and he is out, always be sure to say, "Do you care to leave a message for my father? I shall see that he receives it as soon as he returns." Then be sure to make a written memorandum of who called and the message.

At the end of a conversation express thanks or regret, depending upon circumstances, and say, “good-bye” pleasantly, replacing the receiver *after* the caller has hung up. Replace it gently regardless of how you feel about the call.

Be sure that the receiver is properly replaced on its cradle or receiver hook. If you leave it resting on a book or some other object, it may not be possible for the operator to ring your telephone. As a result your telephone will remain out of order until the receiver is properly replaced.

To recall the operator, move the receiver hook up and down *slowly*. This causes a lamp to flash on and off at the switchboard. If you jiggle the hook up and down rapidly, this warning lamp may not light and therefore the operator will have no way of knowing that you are trying to reach her. Remember that she is anxious to give you good service if it is at all possible to do so. If you are given a wrong number, apologize to the party who has been disturbed and recall the operator.

*The wire is busy because someone was too careless to replace the receiver properly.*

Keep the telephone cord dry or your telephone may not work properly, since dampness often causes short circuits. Any liquid spilled on a P.B.X. switchboard can cause an interruption of service and some delay to make repairs. Avoid the use of devices designed to be attached to telephones which are claimed to improve the service. Such devices often cause trouble.

When answering the telephone  
for a person who is not present,



# NEW JERSEY BELL TELEPHONE COMPANY

BUSINESS OFFICE HOURS 9:00 A. M. TO 5:00 P. M. SATURDAY, 9:00 A. M. TO 12 NOON

THIS BILL IS DUE ON RECEIPT AND  
PROMPT PAYMENT IS REQUESTED



OCTOBER 6, 1939

EL 4- JOHN DOE

1234 195 BROADWAY  
ELIZABETH N J

LOCAL SERVICE FOR ONE MONTH IN ADVANCE FROM DATE OF THIS BILL ..... 4 00  
LOCAL MESSEGES DURING MONTH PRIOR TO DATE OF THIS BILL (SEE REVERSE) ..... 1 25  
TOLL AND OTHER SERVICE (STATEMENT HEREWITH) ..... 31 18  
OTHER CHARGES OR CREDITS (STATEMENT HEREWITH) .....  
DIRECTORY ADVERTISING - MONTHLY CHARGE .....  
BALANCE DUE FROM LAST BILL (IF BALANCE WAS PAID PRIOR TO RECEIPT OF THIS BILL PLEASE DEDUCT FROM TOTAL WHEN REPORTING) .....  
TOTAL ..... 46 43

PAID BY CHECK NO.

DATE

# NEW JERSEY BELL TELEPHONE COMPANY

PAYABLE AT

1190 E. GRAND ST., ELIZABETH, N. J.

PLEASE ENCLOSE THIS STUB WHEN MAILING PAYMENT.  
WHEN PAYING IN PERSON, PRESENT BOTH BILL AND STUB.  
RECEIPTS WILL BE FURNISHED ON MAIL PAYMENTS  
ONLY WHEN SPECIALLY REQUESTED.

EL 4- JOHN DOE

1234 195 BROADWAY  
ELIZABETH N J

OCT. 6, 1939 LOC SER ..... 4 00  
LOC MSGS ..... 1 25  
TOLLS ..... 31 18  
CHG OR CR .....  
DIR ADV .....  
BALANCE .....  
TOTAL ..... 46 43

always make a complete memorandum of the call including the name of the person who called, the time, date, and message left. It is poor business to be forced to say "Someone called you but I have forgotten his name and number. He wanted you to call back." It is also wise to remember that important business conversations should be confirmed in writing. A copy of the confirmation should be kept on file.

8. Paying Your Bill. Telephone bills are generally rendered monthly. Each bill usually covers the charges for local service, including the rental of all equipment and facilities, for one month in advance. In addition, charges for toll and long-distance calls made during the month preceding the date of the bill are itemized on a separate statement.

As a rule, the toll statement lists dates of calls, points called, charges and code letters to show the classification of each call that is not a regular station-to-station call. It also indicates the charges for telegrams, cablegrams, and radiograms. Another column shows the United States Government tax on calls for which the charge is fifty cents or more.

Telephone bills are due when received. If payment of bills is unduly delayed, the service is subject to suspension, and a charge is

EL 4-1234		NEW JERSEY BELL TELEPHONE COMPANY TOLL SERVICE AND OTHER CHARGES			
SEP	PLACE CALLED	AMOUNT	CODE	TAX	
6	ALLENDR				
7	TRENTON				
10	PROVIDENCE	45	P		
12	MILLINGTON	40			
18	WASHINGTON	1 20	N 15		
20	CLOSTER	15			
21	MIAMI BCH	20	R		
26	HARTFORD	35			
27	ATL HIGH	70	T 04		
27	LOS ANGELES	2 30	PN 20		
30	PHILA	20			
30	BKLYN	25			
OCT					
1	STATEN IS	70	N 20		
2	BELMAR	50	T 04		
3	TRENTON	50			
4	BOUND BK	1 50	PN 15		
5	BKLYN	40			
	DURELN	50	N 10		
	BLOOMFLD	30			
		50	P 10		
		15			
		10			
U. S. GOVERNMENT TAX					
TOTAL					
*SEE REVERSE FOR EXPLANATION OF CODES AND SCHEDULE OF TAX.					

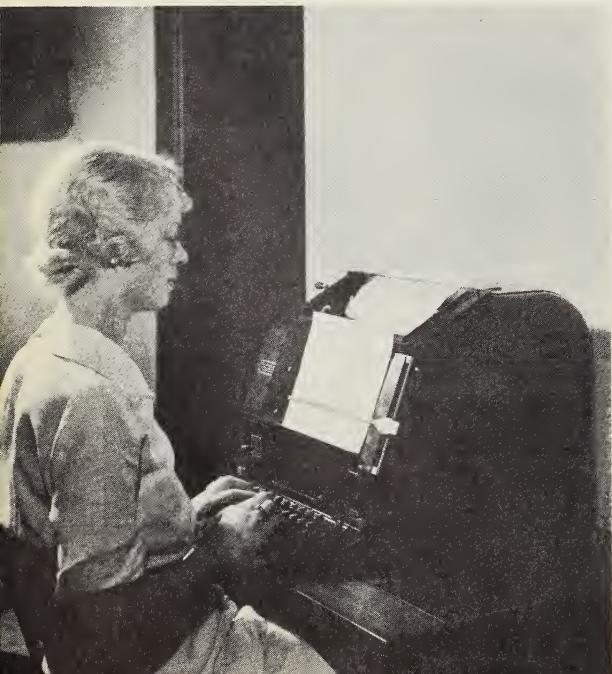
generally made when the service is restored. Bills may be paid at telephone business offices, or at designated banks and collection agencies.

9. **Teletypewriters.** *Teletypewriters*, which do for the written word what the telephone does for the spoken word, are used extensively by business firms. As a message is being typed on a teletypewriter transmitter, the same message appears almost instantly on a receiving machine at the other end of the line. That is, one person speaks to another through the medium of the written rather than the spoken word. A teletypewriter can be used for both sending and receiving messages. It may be permanently connected to one or more other machines at various points within a certain organization or it may be connected to a teletypewriter switchboard in a telephone central office. In the latter type of service, messages can be exchanged with any other subscriber to teletypewriter exchange service. The connections are made by special operators in much the same way that regular telephone calls are put through. There are in this country about 12,000 subscribers to this service, each one having a teletypewriter directory containing the call numbers of the entire list of such subscribers.

It is of course possible to send telegraph messages over the telephone by asking for one of the telegraph companies. The cost of the message will be charged to your bill except at coin-box telephones where the charge is collected in the coin box.

*The Teletypewriter immediately records on a receiving instrument.*

In this modern, high-speed age, the telephone has become such a daily necessity, particularly in the world of business, that the way in which it is used makes a material difference to both individuals and business establishments. Used correctly and intelligently, the telephone can be of tremendous





help in getting and holding customers and friends. Used carelessly and without due regard for the simple rules that govern telephone contact work, it can drive away old customers and friends and fail to win new ones. Businessmen generally have learned by experience how vital the proper use of the telephone is, and they are spending more and more time in the training of employees who sell and do business with customers by telephone. "The voice with the smile wins."



## REFRESHING YOUR MEMORY

Some of the things to remember in this section :

1. A knowledge of correct telephone usage is very important in this day and age.
2. When you install a telephone, you have a choice between business and residence service.
3. You also have a choice between individual- or party-line service, message-rate or flat-rate, semipublic coin-box, extended-area or non-extended-area service, depending on the classes of service available in your community.
4. You may choose from a variety of instruments and equipment.
5. Some business establishments have private switchboards which are called P.B.X. boards.
6. When you make a call it is either a local, a toll, or a long-distance call. A toll call, except to a nearby point, or a long-distance call may be either a station-to-station call or a person-to-person call.
7. There are several special types of long-distance calls.
8. The front pages of the telephone directory contain much valuable information about your telephone.
9. There is a definite procedure for making calls from a manual or dial telephone.
10. There are certain telephone techniques which are essential for best telephone service.
11. Always make a written memorandum of calls answered for another person.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are contestants. Numbers 1-23 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Tell your class why you should know how to use the telephone correctly.
2. The telephone was invented in the sixteenth century. True or false? Reason?
3. Imagine that you have gone to a telephone business office with the intention of having a telephone installed on your property. What are some of the questions the representative will ask you?
4. Tell the class about the types of service which are available to you as a telephone subscriber.
5. Assume that you are now spending about \$2.00 a month on telephone calls which are made from coin-box telephones. If the local rate for a private telephone is \$3.00 a month, would it be economical for you to install a telephone. Why?
6. The class is interested in finding out about available telephone equipment. Describe some of the instruments in common use.
7. Describe a P.B.X. system. Where is it used and why?
8. Can you give the class any illustrations showing the use of extension telephones?
9. Identify the following terms: Message-rate, extended-area service, flat-rate, toll-charge, collect-call, station-to-station rate, person-to-person rate, toll conference service.
10. You have been asked to make several telephone calls, but do not know the numbers. How would you go about finding the correct numbers?
11. Give at least ten points of information which can be found in a telephone directory.
12. What is the difference between a *dial telephone* and a *manual telephone*?
13. All coin boxes are the same. True or false? Why?
14. Illustrate how you would ask the telephone operator for a certain telephone number.
15. Give the class a demonstration on how you would answer the telephone if you were working in an office.

16. How would you answer the telephone at home?
17. Shouting on the telephone assures good reception. True or false? Discuss.
18. Several times you have heard people say, "The voice with the smile wins." What does this expression mean?
19. When you answer the telephone for a person who is absent what obligation do you assume? How can you fulfill it?
20. Does it make any difference how you replace the telephone receiver when you are finished with a conversation? Explain.
21. A person who has called you in error has disturbed you and deserves a sharp rebuke. Do you agree with this statement? Why?
22. What is a *teletypewriter*, and how does it operate?
23. Your telephone directory is a guide in helping you to locate suitable shopping services. Explain.



## SPELLING BEE

Who is the best speller of the words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

abbreviations	conference	individual	reductions
adjusting	confidential	intention	reveal
alphabetical	courteous	interruption	service
anniversaries	distinctly	lecturing	subdivision
assistance	effectively	localities	suburban
audience	electrical	manual	suspension
automatically	emergency	memorandum	technical
buzzer	equipment	minimize	teletypewriters
cancelled	foreign	particular	transferring
chargeable	guarantee	postpayment	transmission
classified	humming	prepayment	tremendous
commission	incidentally	primarily	vertically



## THE FIRST OF THE THREE R'S—READING

alienate	comparatively	metropolitan	subscriber
amplifying	dial	receiver	surly
audible	directory	residential	switchboards
circuit	etiquette	reverse	techniques
coin box	installed	sceptics	telephone
communication	jiggle	sequence	teletypewriters

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Look up the story of the invention of the telephone in a history book or encyclopedia.
- (b) Write an interesting report to be read to your class.

### Job 2—

- (a) Visit your local Telephone Company Business Office.
- (b) Ask for a story of the organization and control of telephone companies in the United States.
- (c) Write a report to be given in class.

### Job 3—

- (a) Prepare a list showing the classes of telephone service available to the subscriber.

### Job 4—

- (a) Use the information in Job 3 as the basis for a visit to the Telephone Business Office.
- (b) Determine the rate on each class of service in your locality.
- (c) Prepare a chart to show the rates.

### Job 5—

- (a) Visit your school office or some local industry which has a P.B.X. board.
- (b) Find out how the system works.
- (c) Prepare a written report on the operation of the system visited.
- (d) Compare the systems found by various members of the class.

### Job 6—

- (a) Review carefully the section on telephone equipment.
- (b) Prepare a chart to show this information.

**Job 7—**

- (a) Review the section dealing with kinds of long-distance calls.
- (b) Set up a list showing these calls.

**Job 8—**

- (a) Use the information in Job 7a.
- (b) Tell when you would use each type of call and why you would use it in preference to the others.
- (c) Prepare a written report to be given in class.

**Job 9—**

- (a) Select any five cities or towns your family may want to call.
- (b) Find the rate on each of the calls in Job 7a to each of the places selected. Chart your information.

**Job 10—**

- (a) Make up or obtain from your teacher the names of twenty people or firms in or out of town that have telephones.
- (b) Find the telephone number for each person and give the source of your information.

**Job 11—**

- (a) Look through the first few pages of your local telephone directory.
- (b) Prepare a list showing the main points of information found.

**Job 12—**

- (a) Assume that you have just moved to town and require the following goods or services:

coal	doctor
radio repair	music teacher
slip covers	lighting fixtures
paints	floor coverings

- (b) Obtain the name, address, and telephone number of persons who can supply the service wanted in Job 12a.

**Job 13—**

- (a) Copy the complete listing of any ten names in your local telephone directory.
- (b) Explain the meaning of each listing.
- (c) Which listing is used very often?
- (d) If you had a telephone, how would it be listed?

Job 14—

- (a) Search through your telephone directory for at least twenty-five abbreviations used in listing subscribers.
- (b) Prepare a list showing each abbreviation and its meaning.

Job 15—

- (a) Visit your local Telephone Exchange.



- (b) Ask for an explanation of the differences in the mechanical operation of manual and dial telephones.
- (c) Prepare a written report to be given in class.

Job 16—

- (a) Review the material on making calls from manual and dial telephones.
- (b) Prepare a list showing the procedure in making a call from a manual telephone.
- (c) Do the same for a dial telephone.

Job 17—

- (a) You are told to call the following numbers:

Humboldt	5-1769
Bigelow	4-4640
Stag	2-2500
Endicott	9-0005
Jefferson	3-0080
Columbus	5-8000
Market	4900
Pulaski	679J
Elizabeth	5-0400
Bloomfield	2-9678R

- (b) Write the exact way in which you would ask for each number.

Job 18—

- (a) Review carefully the material on telephone techniques.
- (b) Prepare a check list of all the suggestions given.
- (c) Rate yourself on how well you observe the directions.



**Job 19—**

- (a) On your visit to the local Telephone Exchange ask to be shown through the building.
- (b) Write a report of your observations.

**Job 20—**

- (a) Review the material on special telephone facilities.
- (b) Prepare a list of these facilities.

**THE THIRD OF THE THREE R'S—ARITHMETIC**

**Situation 1—**

- (a) Assume that in your community the monthly rates for residence service are as follows:

Private line—unlimited calls	\$5.50
Private line—75 calls	4.25
Party line (2 parties) unlimited calls	4.25
Party line (2 parties) 60 calls	3.00

- (b) Calculate the monthly charges paid by 6458 subscribers to the private-line unlimited-calls service.
- (c) Do the same for 8694 subscribers to the private-line 75-unit service.
- (d) Do the same for 11,587 subscribers to the party-line unlimited-calls service.
- (e) Do the same for 15,993 subscribers to party-line 60-unit service.
- (f) Total monthly charges?

**Situation 2—**

- (a) Calculate the total number of residence subscribers in this particular area in Situation 1.
- (b) If the 6458 subscribers in Situation 1b make an average of 125 calls a month each, how many calls do they make in one month? In one year?
- (c) If the 8694 subscribers in Situation 1c average 96 calls a month each, how many calls do they make in a month? In a year?
- (d) Calculate the monthly calls made by the 11,587 subscribers in Situation 1d who average 118 calls a month? Number of calls in a year?
- (e) Calculate the monthly calls made by the 15,993 subscribers in Situation 1e who average 89 calls a month? Yearly calls?

**Situation 3—**

- (a) Calculate the total number of calls made in one month in Situation 2.
- (b) Calculate the total number of calls made in a year in Situation 2.

**Situation 4—**

- (a) If the Telephone Company received 5¢ for each call in Situation 3a, what would be its total receipts from such calls?
- (b) Compare the receipts in Situation 4a with Situation 1f. Calculate the difference in revenue.
- (c) If the Telephone Company received 5¢ for each call in Situation 3b, what would be its total revenue from such calls?

**Situation 5—**

- (a) Your family averages 132 local calls a month.
- (b) Using the rates in Situation 1a or your own local rates, calculate your monthly bill for the local calls for each of the four services listed, charging 5¢ for each additional local call.
- (c) Which service would cost the least in your case?

**Situation 6—**

- (a) Assume that the station-to-station rates from your community to the following cities were:

<i>City</i>	<i>Day</i>	<i>Night and Sunday</i>
Lakewood, New Jersey	\$.40	\$.35
New Haven, Connecticut	.45	.35
Riverhead, Long Island	.55	.35
Binghamton, New York	.60	.40
Albany, New York	.65	.40
Baltimore, Maryland	.75	.45
Burlington, Vermont	1.00	.60
Montreal, Quebec	1.40	.85
Chicago, Illinois	2.10	1.30
New Orleans, Louisiana	3.25	1.95
Denver, Colorado	4.50	3.00
San Francisco, California	6.50	4.25

- (b) Calculate the amount and per cent of reduction on night calls to each city.
- (c) What is the range of percentages?
- (d) Total cost for all day calls? Night calls?

**Situation 7—**

- (a) The business rate in a certain community is:

60 or less local calls	\$4.00
Next 90 local calls	@ 5¢ each
Next 100 “ “	@ 4¢ “
Other “ “	@ 3 1/2¢ “

- (b) One month your father's office made 260 local calls. Calculate his bill.
- (c) A second month 175 local calls were made. What was his bill?
- (d) A third month 145 local calls were made. What was his bill?
- (e) Total number of local calls in the three months?
- (f) Total telephone bill for the three months?
- (g) Average monthly number of local calls?
- (h) Average monthly telephone bill?



**Situation 8—**

- (a) The United States Government Tax on each telephone conversation on which the total charge is

\$ .50 or more and less than \$1.00	is 10¢
\$1.00 or more and less than \$2.00	is 15¢
\$2.00 or more	is 20¢

- (b) Calculate the tax on each three-minute, station-to-station day call in Situation 6.

**Situation 9—**

- (a) Fill in the telephone bill for John Doe using the rates in Situation 7 and a Toll Statement, assuming you live in Denver and have made one call to Chicago and one to Montreal.
- (b) Calculate the Government tax for each taxable call and the total tax.
- (c) Calculate the total toll charges.
- (d) How many person-to-person calls were made?
- (e) How many day calls were made?
- (f) Total amount of telegrams sent?
- (g) How many collect charge calls were received?



## PART TWO: THE TELEGRAPH

1. **You and the Telegraph.** Suppose you are anxious to communicate with a relative in a distant city who does not have a telephone. Even if he had a telephone, it might be too expensive to call him just to say that you would not visit him as originally planned. How can you reach him in a hurry inexpensively? The telegraph supplies the answer. Telegraph messages are called telegrams. They may be sent from the nearest telegraph office or else telephoned to that office.

Telegrams, in general, are used when you wish to communicate with another person without any delay. They are messages sent over wires from one place to another. When telegrams were first sent, they were used chiefly for emergency occasions. Although they are still used in such cases, they are also employed for many other purposes, both business and social.

2. **Selecting Your Service.** Let us suppose that you wish to send a telegraphic message. What classes of service are available for your use?

*Full-rate telegram.* The full-rate telegram represents the fastest type of service available. The message is promptly sent over the wires and is usually delivered within a matter of minutes. This type of telegram is accepted any hour of the day or night. Unless you indicate the type of message you wish sent, it is assumed by the telegraph company to be a full-rate telegram and is sent as such and charged for accordingly. The minimum charge is for ten words, the rates varying from twenty cents to \$1.20, depending upon distance. For each additional word a charge is made of from one cent to eight and a half cents, likewise depending upon distance. A telegram of ten words sent to your local area would cost only twenty cents. The same message sent a great distance would cost \$1.20. For each word over ten words sent in the local message the cost is one cent extra. Every word over ten words in the long-distance telegram would cost eight and a half cents extra. In this way, an eighteen-word local message would cost twenty-eight cents—twenty cents for the first ten words and one cent for each of the additional words ( $8 \times .01 =$

.08) and  $(.08 + .20 = .28)$ . The same eighteen-word message sent a great distance would cost \$1.88—the first ten words cost \$1.20 and the eight additional words at eight and a half cents each cost  $(8 \times .08\frac{1}{2} = .68)$  and  $(.68 + 1.20 = \$1.88)$ .

*Day letters.* Day letters may be sent when the message is twenty words or more, or when the message is of such a nature that a slight delay will not make much difference. Telegraphic offices send full-rate telegrams first. Then the day letters are transmitted over the wires. A day letter may have a maximum of fifty words under the basic cost which is one and one-half times that of a ten-word full-rate telegram. This means that if it costs twenty cents to send a ten-word full-rate telegram, you may send a fifty-word day letter for thirty cents  $(.20 \times 1\frac{1}{2} = .30)$ . One fifth of the initial fifty-word rate is charged for each additional ten words or less. A sixty-word day letter will cost thirty-six cents  $(.30 \times \frac{1}{5} = .06)$  and  $(.30 + .06 = .36)$ . Day letters may be delivered within an hour if the wires are not busy but may take two or three hours if many full-rate telegrams are awaiting transmission.

*Night letters.* The overnight telegram is for night-time what the day letter is during the day. This type of service is offered at any hour of the day or night up to 2 A.M. for delivery the following morning, in the case of social messages, and on the morning of the next business day, in the case of business messages. The telegraph companies reduce the rates on night messages in order to stimulate business. It stands to reason that most messages are sent during business hours. Since the expense of operating telegraph facilities continues day and night, any revenue received from night business helps to cover operating costs. You will recall that the telephone companies also offer bargain or reduced evening rates. Therefore, if your message is not urgent it pays to take advantage of the lower rates.

*Serials.* Your father may be traveling on the road and may find it necessary to maintain telegraphic contact with his office several times each day. He will use *serial service*. Serials are used when a message is to be sent to one person or company, in installments, during the day. A minimum of fifteen words per installment is counted and

a minimum total of fifty words is charged for in the course of a day. Serial rates are twenty per cent higher than those for day letters of similar length. If a day letter costs \$1.00 a minimum serial message costs \$1.20 ( $\$1.00 \times \frac{120}{100} = \$1.20$ ). A serial may be sent at any time but all installments must be sent the same day.

*Timed-wire service.* When a company's business calls for extensive telegraphic service, the telegraph company will install a printing telegraph called a *Teleprinter* in the offices of the sender, and the messages will be sent by an employee of the sender. This machine is similar to a typewriter and is wired to another typewriter in the office of the telegraph company. While the sender's typewriter is being operated, the typewriter in the telegraph company's office is automatically typing the message for the immediate attention of the telegraph company. This eliminates the need of sending the messages by a messenger to the telegraph office for transmission.

3. **Writing the Telegram.** You have, by this time, selected your telegraph service. You are now ready to write the message. Is it written the same as any ordinary communication? No. There is a special technique in writing telegraphic messages. The two essentials of a telegram are briefness and clearness. A telegram includes:

1. The point of origin or place of sending.
2. The date.
3. The addressee (the name of the person or company to whom the message is being sent).
4. The address (street and number). (No charge is made for whatever information is necessary to help the telegraph company find the addressee quickly.)
5. The destination (city and state). The name of the city should be spelled out in full and the name of the state abbreviated.
6. The body or text. (Messages should be so written as to have a clear meaning without punctuation although the company will include necessary punctuation.)
7. The signature. (All signatures except the first, where there are more than one, are counted and charged for. In the signature "I.M. Sending and U.R. Sending," the words "and U.R. Sending" are charged for. In such signatures as "Mary and Tom," no extra words are charged for.)



3

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	ORDINARY
DAY LETTER	URGENT MESSAGE
NIGHT LETTER	DEFERRED
NIGHT LETTER	NIGHT LETTER
SPECIAL SERVICE	SHIP RADIOGRAM

Patrons should check class of service desired, otherwise the message will be transmitted as a telegram or ordinary radiogram.

# WESTERN UNION

1706-11

CHECK
ACCOUNTING INFORMATION
TIME FILED

R. B. WHITE  
PRESIDENT

NEWCOMB CARLTON  
CHAIRMAN OF THE BOARD

J C WILLEVER  
FIRST VICE-PRESIDENT

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Jan. 10th, 1940.

B. J. Harrison & Co.,

244 State St., Emporia, Kans.

Have no record of shipment referred to in your telegram.

The Boston Machine Co.

You should indicate in the proper space provided for that purpose in the upper left corner of the telegram blank the type of message you wish to send. All types are listed, and all you have to do is to check the one that applies. Above is a sample of a properly prepared telegram.

The address and one signature are free of charge. Dictionary words are counted as one word each. Geographical names like *New York*, *South Dakota* and *United States* are counted as one word. Abbreviations of single words count as full words. Common abbreviations such as *OK.*, *A.M.*, *F.O.B.*, or *C.O.D.*, count as one word. Initials are counted as separate words. Personal names such as *DuBois* or *Van der Gross* are counted as one word. Five figures or less count as one word. Thus *20* is counted as one word. In general, it is better to spell numbers.

The words, *Answer* (or *reply*) by *Western Union* (or *Postal Telegraph*) may be placed in the text of the message without extra charge. The companies offer this free service to remind the receiver that he can send an immediate reply by using the same messenger.

4. **Filing and Delivering Telegrams.** Now you have selected your telegraph service and written the message. What remains to be done? You must *file* the message. Filing a telegram means to turn the message over to the telegraph company. A telegram may be filed over the counter of the telegraph company, by telephone, signaling through a messenger call box (which is installed in a business office free of charge upon request), or by means of the Teleprinter previously described.

Messages may be sent either *paid* or *collect*. A collect message is to be paid for by the addressee (receiver).

Ordinarily a telegram is delivered by messenger but when the distance is too far for a messenger, and the message is urgent, the telegram will be telephoned to the addressee and a copy of the telegram will then be mailed if requested by the addressee. If the sender does not wish the telegram read on the telephone to the addressee, he can so specify at the time of filing the message.

When the exact wording of a message is important, the telegraph company will arrange to have the message repeated back from the

*The message is ready for delivery.*

<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <b>CLASS OF SERVICE</b>  <small>This is a full-rate Telegram or Cablegram, unless its deferred character is indicated by a suitable symbol above or preceding the address.</small> </div>	<h1 style="margin: 0;">WESTERN UNION</h1> <div style="display: flex; justify-content: space-around; font-size: small;"> <span>R. B. WHITE PRESIDENT</span> <span>NEWCOMB CARLTON CHAIRMAN OF THE BOARD</span> <span>J. C. WILLEVER FIRST VICE-PRESIDENT</span> </div>	1201 <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <b>SYMBOLS</b>  <small>DL = Day Letter</small>  <small>NL = Night Letter</small>  <small>LC = Deferred Cable</small>  <small>NLT = Cable Night Letter</small>  <small>Ship Radiogram</small> </div>
<small>The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination</small>		
<div style="display: flex; justify-content: space-between;"> <span>NV403 10=MK NEWYORK NY 10 1043A</span> <span>1940 JAN 10 AM 10 04</span> </div> <p>B J HARRISON AND CO=</p> <p>244 STATE ST EMPORIA KANS=</p> <p>HAVE NO RECORD OF SHIPMENT REFERRED TO IN YOUR TELEGRAM=</p> <p>THE BOSTON MACHINE CO=</p>		
<small>THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE</small>		



point of destination to the sending point, as a check. In other words, just before the message is delivered, it is referred back to you for final verification. An extra charge equal to fifty per cent of the regular toll is made in addition to the cost of the two extra words, "repeat back," in the message. A ten-word full-rate telegram costing twenty cents would, if repeated back, cost the sender thirty-two cents

$$(.20 \times \frac{150}{100} = .30) (.30 + 2 \text{ words @ } .01 = .32).$$

If you wish to receive a telegram informing you of the safe delivery of your telegram, you place the words "Report Delivery" at the top of the message blank. You will receive a collect telegram to that effect.

**5. Special Services.** Are telegraphic services limited to the sending of telegrams? The answer is, "no." The telegraph companies, like the telephone companies, have constantly increased the services offered to the public.

A recent feature of telegraphic service is the singing telegram. This is used mainly for birthday greetings and, over the telephone, the telegraph operator sings the greeting to the tune of "Happy Birthday." The local rate for sending a telegram applies to this charge. If the telephoning involves a toll call, the extra telephone charge must be paid. The telegraph company also sends singing telegrams with special jingles for such occasions as Mother's or Father's Day, Christmas, Easter, or New Year's Day.

Special forms are provided by the telegraph company from which



a sender may select one of several prepared messages for certain occasions. Many messages are available for every occasion. The list follows:

1. Wedding congratulations.
2. Stork telegrams. (Best wishes to the new arrival and its proud parents.)
3. Pep messages. (We know you can win that game. Don't fail us.)
4. Bon voyage. (Best wishes for a pleasant trip and a happy landing.)
5. Congratulations on: engagement, promotion, election to office, or on team or individual winning contest.
6. Birthday greetings.
7. Anniversary congratulations.
8. Kiddiegrams for: birthdays, promotions, in praise of good behavior, admonitions to behave, cheer-up messages, and invitations to parties.

These special-occasion greetings cost twenty-five cents per message, delivered anywhere in the country, or twenty cents for local delivery.

A new special form is the *Tourate* Telegram. You may wire home, while on a trip, about safe arrivals, kind of weather, next

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>NO.</td></tr> <tr><td>TIME FILED</td></tr> <tr><td>RECEIVED BY</td></tr> <tr><td>SENT BY</td></tr> </table>	NO.	TIME FILED	RECEIVED BY	SENT BY	<h2 style="margin: 0;">WESTERN UNION</h2> <h2 style="margin: 0;">MONEY ORDER</h2>	<div style="text-align: right; font-size: small;">Form 72 H</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>AMOUNT</td></tr> <tr><td>MONEY ORDER CHARGE</td></tr> <tr><td>TELEGRAPH TOLLS</td></tr> <tr><td>TOTAL</td></tr> </table>	AMOUNT	MONEY ORDER CHARGE	TELEGRAPH TOLLS	TOTAL
NO.										
TIME FILED										
RECEIVED BY										
SENT BY										
AMOUNT										
MONEY ORDER CHARGE										
TELEGRAPH TOLLS										
TOTAL										
R. B. WHITE      NEWCOMB CARLTON      J. C. WILLEVER PRESIDENT      CHAIRMAN OF THE BOARD      FIRST VICE-PRESIDENT										
Subject to the conditions below and on back hereof, which are hereby agreed to,										
New York, Jan. 10th, 1940.										
PAY TO <u>Miss Marion Smith.</u>										
IF TO A WOMAN GIVE PREFIX HER OR MRS. IF PRACTICABLE										
Street Address <u>278 East Liberty St.,</u>										
GIVE HOUSE NUMBER AND STREET										
Place <u>Pittsburgh, Pa.</u>										
Amount <u>Eighty seven</u> ----- Dollars and <u>no</u> Cents (\$ <u>87.00</u> )										
(A message, to be delivered with the money, costs but a little more and saves a separate telegram. It may be written on the following lines)										
Message to be delivered with the money: <u>Glad you can take vacation now</u>										
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Positive evidence of personal identity is NOT to be required from the Payee, and I authorize and direct the Telegraph Company to pay the sum named in this order at my risk to such person as its agent believes to be the above named Payee,* UNLESS the following is signed.   <b>POSITIVE PERSONAL IDENTIFICATION REQUIRED</b>  I declare that the above named payee shall be required to produce positive evidence of personal identity before payment is made.   Signature _____ </div> <div style="width: 50%;"> Signature <u>William J. Smith,</u>   Sender's Address <u>509 So. 41st St.</u>  Sender's Telephone Number <u>Evergreen 2-9364</u> </div> </div>										
*Information for test question for identifying payee <u>Mother's maiden name Nelson.</u>										
IN CASE OF FOREIGN MONEY ORDERS: Pay United States Dollars <input type="checkbox"/> Pay in Local Currency <input type="checkbox"/>										

destination, or condition of health. The charge is thirty-five cents to any point in the United States where the telegraph company has an office.

A shopping order may be placed with the telegraph company to purchase and deliver at some distant point books, flowers, candy, cigars, fruit, and theater and football tickets. Money may also be sent by telegraph by means of either the Gift Order or the telegraphic Money Order.

The services offered by the two telegraph companies—Western Union and Postal Telegraph—are very similar. The question of which service to use is merely a matter of personal preference or it may be that one company's office is more conveniently located than the other.

One of the companies, however, offers an exclusive service in the purchase of theater tickets. If you wish to secure theater tickets for a New York show without making an extra trip to New York for the tickets, you may make either telephone or personal application at the telegraph office, where you will be informed of the exact seats for which tickets are available. If you are satisfied with the seat location, you pay the Telegraph Company the box-office price of the tickets plus 81½ cents service charge on each ticket. This may seem like a large fee, but the person using this service will probably buy fairly expensive seats and will not mind the extra charge. This is a most unusual and convenient service for those who can afford to pay for it.

**6. You and the Cablegram.** If you desire to send a message to a friend in a foreign country, how can you manage to send it across bodies of water? Cablegrams are at your service this time. Cablegrams are messages sent over wires resting on the ocean floor. They may be sent to any part of the world with some few exceptions. The cablegram should be even briefer and clearer than the telegram because the cost is higher. To overcome the high cost, systems of condensing messages have been developed. These condensed message systems are called codes.

The *ABC*, *Western Union*, or *Bentley's* codes are commercially prepared code books, arranged alphabetically, to make coding and





ordinary rate. Code words may be either artificial or real words. A minimum of five words is charged. A twenty-word full-rate cable to England costs \$4.80 ( $$.24 \times 20 = \$4.80$ ). A five-word code cable of the same message costs only 72 cents ( $$.24 \times \frac{60}{100} = $.14\frac{2}{5}$ ) and ( $$.14\frac{2}{5} \times 5$  words minimum = \$.72).

*Urgents.* The word *Urgent* is placed before the addressee's name and is charged for. Urgent messages are charged at double the rate charged for ordinary messages, and are given preference over all but Government messages. A twenty-word cable to England marked urgent would cost \$9.60 ( $$.24 \times 2 = $.48$ ) and ( $$.48 \times 20 = \$9.60$ ).

*Code urgents.* Code messages at twice the charge for code cablegrams receive preference over code cablegrams. The five-word code cablegram to England if sent as a *code urgent* would cost \$1.44 ( $72\text{¢} \times 2 = \$1.44$ ).

*Deferred.* In the deferred or delayed service, code addresses may be used, but no code is permitted in the text. The rate is half that of the ordinary rate. Deferred messages are sent after lines are clear of all but night letters. The full-rate twenty-word \$4.80 cable to England would cost only \$2.40 if it were sent as a deferred message ( $\$4.80 \times \frac{50}{100} = \$2.40$ ).

*Cable night letters.* As with the deferred cablegram, code addresses may be used, but no code is permitted in the text. Cable night letters are delivered overnight. The cost of sending a cable night letter from Newark, New Jersey, to England is \$2.00 for twenty-five words or less and \$2.25 for a similar message to France. The charge per word for a cable night letter to England is 8 cents ( $\$2.00 \div 25 = $.08$ ) as compared with twelve cents a word for the deferred message, 24 cents for the full-rate cablegram and 48 cents a word for the urgent cablegram.

8. Radiograms. A relative has embarked for Europe. You desire to reach him aboard ship. Telephone or telegraph service alone will not do in this case. By means of radiogram service, you may send a message from any part of the country to a ship on the high

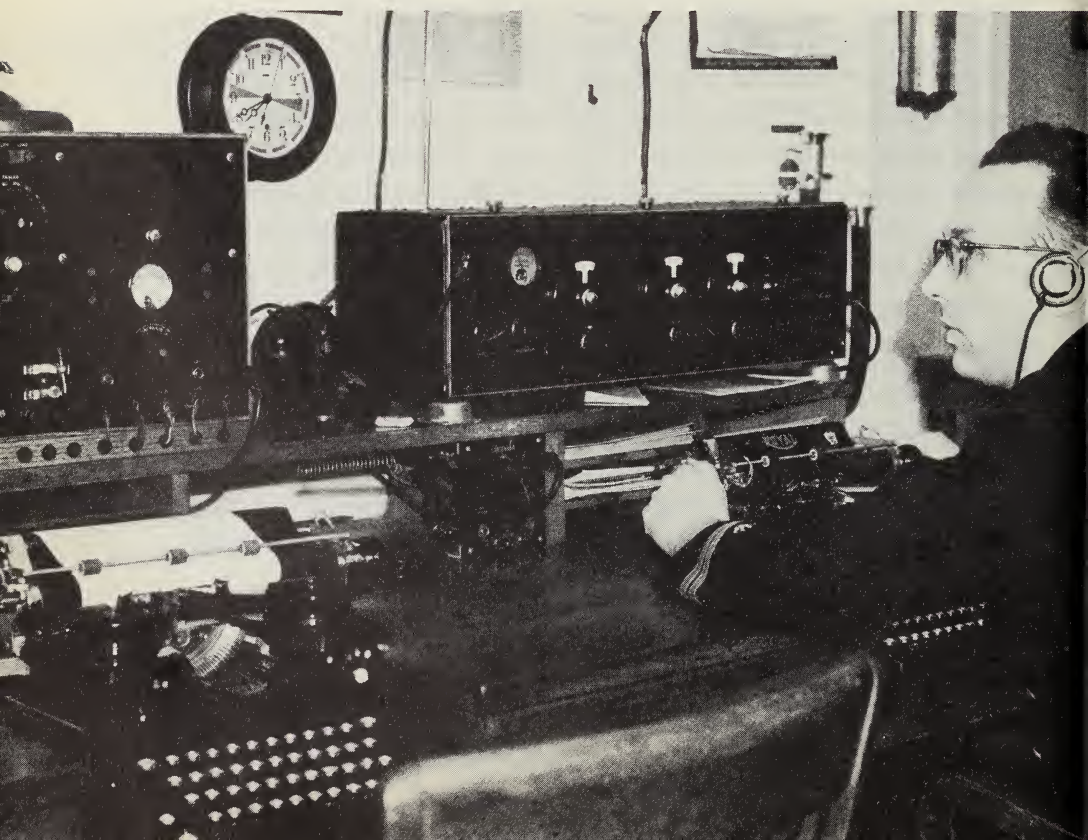
seas. If a radiogram is sent from inland, the message is telegraphed to the nearest coastal wireless station from where it is transmitted by radio to the ship. Almost any ship can be reached by radio. The senders of ship radio messages must write the name of the ship and of the coastal station through which the ship is to be reached in addition to the name of the addressee.

Radiograms must be prepaid. The usual charge is 21 cents a word. The cable system of figuring the cost of messages applies to radiograms. In other words, the sender pays for every word in the address, the message, and the signature. In addition, a charge is made for the word "NEWYORKRADIO" which is placed on every radiogram transmitted from the New York coastal station. For instance, a radiogram to Mr. William Brown on board the *Normandie* would be addressed:

WILLIAM BROWN NORMANDIE NEWYORKRADIO

A sender may obtain an acknowledgment of the receipt of a radiogram by asking for this service and paying the charge for it.

*A ship's radio operator does not need to worry about keeping idle hands out of mischief.*





*Atop the Empire State Building are the transmitting antennas for sound and images which are received in this home-television set.*

9. **Television.** Television has not yet been put to extensive use in business. However, it is altogether possible that it will play an important role in the business world of tomorrow. Television, you know, is the sending of action pictures as well as sound by means of air waves after they have been sent from the scene of action over telephone facilities to a radio transmitting station. The use of large cameras and expensive equipment now makes it possible to see as well as hear televised broadcasts.

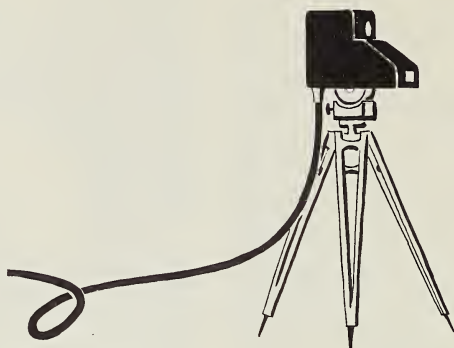
### REFRESHING YOUR MEMORY

Some of the things to remember in this section :

1. Telegraph communication is rapid and relatively inexpensive for certain types of messages.
2. There are several classes of telegraph service.
3. Telegrams must be brief and clear.
4. Cablegrams are used for messages sent overseas.
5. Cablegrams are expensive and must therefore be written very briefly and clearly.



6. Messages to ships at sea are sent via radiograms.
7. Television will probably play an important role in the world of tomorrow.



### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-13 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Tell the class when and why you would use telegraph facilities.
2. Name and give illustrations of five telegraph messages available.
3. Imagine that you are sending a telegram. Describe each section of the telegram.
4. How do you count the number of words in a telegram?
5. Name at least five special telegraph services. Give a brief explanation of each service to show that you understand it.
6. Code is a book of honor rolls. True or false? Why?
7. Give the class an illustration showing the use of cablegrams.
8. Assume that you are sending a cablegram. How would you count the number of words to be charged?
9. Radiograms are wisecracks made over the air waves by comedians. Discuss.
10. Imagine that you are sending a radiogram from your town to a friend on the *Mauretania* halfway across the Atlantic Ocean. Explain the procedure.
11. Telegraph serials are installment messages sent at various intervals during a single day. True or false? Why?

12. A Teleprinter is a printer who knows little about printing. Discuss.

13. How many words would be charged for writing:

United States

C.O.D.

30

thirty

### SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

abbreviated	congratulations	length	signature
accordingly	delay	likewise	similar
addressee	destination	occasions	slight
area	dictionary	ordinary	social
artificial	eliminates	originally	stimulate
assumed	emergency	overseas	technique
available	essential	preference	telephone
basic	extensive	previously	television
broadcast	feature	punctuation	theater
camera	fee	referred	toll
coastal	foreign	registered	urgent
communicate	increase	signaling	verification

### THE FIRST OF THE THREE R'S—READING

acknowledge	condensing	minimum	telegrams
anniversary	deferred	prepaid	transmission
automatically	exclusive	radiograms	transmitter
basic	inland	restricted	urgent
cablegrams	installment	serial service	via
code	jingles	specify	wireless

### THE SECOND OF THE THREE R'S—WRITING

The initial stroke of each of the following letters is known as an *over* stroke. Swing out of each letter with an easy gliding stroke. Cross

the letter *x* with an upward stroke from left to right the same as you cross the letter *t*.

Check your posture and position and then trace the letters as directed in the previous chapter. Write the four single letters and words, using great care with the spelling of each. These words will help you to acquire an ease of movement that will aid you in the more difficult writing exercises to be found as you progress through the book.

*m n v x*

- |                    |                   |
|--------------------|-------------------|
| 1. <i>mature</i>   | 6. <i>narrate</i> |
| 2. <i>mishap</i>   | 7. <i>nervous</i> |
| 3. <i>misquote</i> | 8. <i>vile</i>    |
| 4. <i>natural</i>  | 9. <i>volume</i>  |
| 5. <i>normal</i>   | 10. <i>mixes</i>  |

### BUILDING BUSINESS HABITS

#### Job 1—

- (a) Visit your local telegraph office.
- (b) Ask for sample telegraph blanks.
- (c) Ask for information about telegraph services and rates for different telegrams to neighboring places and Washington, D. C.
- (d) Collect special-occasion telegraph blanks.
- (e) Prepare a class exhibit of your material.

#### Job 2—

- (a) Prepare a chart showing the various classes of telegraph services and their rates. Set it up in this way.

#### TELEGRAPH SERVICES

Kind of Telegram	Description	Approximate Rate

- (b) Complete the chart.



Job 3—

- (a) Review the material on counting words.
- (b) Prepare a list of the methods used in counting words.
- (c) Give a class report on this information.

Job 4—

- (a) Use the special-occasion blanks collected in Job 1d.
- (b) Prepare appropriate messages for:

Wedding of a relative  
Bon-voyage greetings  
Congratulations on an engagement  
Birthday greetings  
Valentine to your best friend  
Tourate messages on a trip away from home  
Anniversary congratulations.

- (c) Calculate the cost of each message.

Job 5—

- (a) Review the material on parts of a telegram.
- (b) Set up a list of the various parts and a description of what each includes.
- (c) Prepare three model telegrams according to this list.
- (d) Compute the cost of each telegram to neighboring cities or Washington, D. C.

Job 6—

- (a) Review the information on special telegraph services.
- (b) Prepare a chart in this way.

SPECIAL TELEGRAPH SERVICES

Service	Description	Approximate Cost

Job 7—

- (a) Visit your school or town library.
- (b) Obtain one of the three code books mentioned in your text.
- (c) Look up code words for business phrases and expressions which are frequently used.
- (d) Prepare five complete cable messages in code.

**Job 8—**

- (a) Prepare a chart of cable services. Set it up in this way.

**CABLE SERVICES**

Message	Description	Approximate Cost
---------	-------------	------------------

- (b) Complete the chart.

**Job 9—**

- (a) Refer to the chart in Job 2a.  
(b) Compose a sample telegram for each class of service to be sent to Washington, D. C.  
(c) Compute the cost of each message.

**Job 10—**

- (a) Write a business letter of about one hundred words.  
(b) Reduce the same letter to a day letter.  
(c) Reduce the day letter to a full-rate telegram.

**Job 11—**

- (a) Refer to the chart in Job 8a.  
(b) Compose a sample cablegram for each class of service.  
(c) Calculate the cost of each message to England from your own town.  
(d) Calculate the cost of each message to France from your own town.

**Job 12—**

- (a) Look up in your newspaper the names of two ships now sailing the high seas.  
(b) Prepare a radiogram to one ship via the New York Coastal Station and one through a Pacific Coastal Station.  
(c) Calculate the cost of each message at thirty-eight cents a word.

**THE THIRD OF THE THREE R'S—ARITHMETIC**

**Situation 1—**

- (a) Assume that the basic cost of a full-rate telegram you wish to send to a certain city is sixty-five cents.  
(b) Calculate the cost of a thirteen-word full-rate telegram.

- (c) What would be the cost of an eighteen-word message?
- (d) A twenty-seven-word message?

**Situation 2—**

- (a) Based on the rate in Situation 1a, what would be the cost of a fifty-word day letter to the same city?
- (b) A seventy-five-word day letter?
- (c) A fifty-word serial message?
- (d) A sixty-five word serial message?
- (e) Cost of reserving five theater tickets?

**Situation 3—**

- (a) Assume that the cost of sending a full-rate cablegram to England from your city is thirty-two cents a word. To France, the cost is thirty-five cents a word.
- (b) Calculate the cost of an eighteen-word ordinary cablegram to England? To France?
- (c) Cost of a twenty-three-word full-rate cablegram to England? To France?
- (d) Cost of a twenty-nine-word ordinary cablegram to England? To France?

**Situation 4—**

- (a) Based on the rates in Situation 3a, what would a twelve-word code cablegram cost to England?
- (b) A seventeen-word code cablegram to France?
- (c) A thirty-three-word code cablegram to England?
- (d) A twenty-one-word code cablegram to France?

**Situation 5—**

- (a) What would the messages in Situation 3b cost if marked Urgent? Remember there is a charge for the word Urgent itself.
- (b) Cost of Urgent messages in Situation 3c?
- (c) Cost of Urgent messages in Situation 3d?

**Situation 6—**

- (a) What would be the cost of an Urgent code message in Situation 4a?
- (b) Cost of Urgent code message in Situation 4b?
- (c) Cost of Urgent code message in Situation 4c?
- (d) Cost of Urgent code message in Situation 4d?







## IV

### USING THE MAILS

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *Imagine that you had to sit down at this moment to write a very important business letter for your father. Just how would you go about it?*

2. *Suppose somebody had the power to stop all mail. Would you and your family be affected? How?*

3. *What mail services are available to you?*

1. **The Mail and You.** Have you ever received or sent a letter? All of us, at some time or other, have occasion to use the mails even if we have very few business contacts. Naturally, those of us who have business dealings use the services of the Post-Office Department very frequently. In our daily life many situations arise which require attention and, in many instances, the most sensible and natural way of attending to them is to discuss what we have to say in a letter. To be sure, we have the telephone, the telegraph, and the automobile to use in delivering messages. But think what it would cost us if, every time we needed something, we went to the telephone or called the telegraph office to send a message. The automobile also is a great convenience, but often we could not spare the time or money necessary to go the distance required to make our needs known. A letter is a very faithful servant if we are not in too great a hurry. It may be sent anywhere in the United States for three cents. And, if there is need for hurry, air-mail or special-delivery services come to the rescue, charging extra for their services.

Business letters are not the only ones we write. All of us have personal and social letters that are almost as important. Our relationships

with friends and relatives in the community where we live and elsewhere are almost as numerous as our business dealings. Our success often depends in a large measure upon our social life. We are naturally anxious to have people think well of us, and a letter is much like a dress. If we are attractively dressed and well-groomed, people like us. So it is with the letters we write. If they are written on good paper, placed well on the page, and look and sound as if proper care had been used in writing them, whether written with a

Lincoln Junior High School  
Milwaukee, Wisconsin  
Jan. 4, 19-

Dear Miss Samson:

I thought I would write you a letter and tell you about the fun I had during the holidays. I had many presents under my tree. I got several books and they were very interesting. I saw the "Tale of Two Cities," and I liked it very much.

I had a very fine time during the holidays, and I hope you had a fine time yourself. I was very happy when I got my new sled. I was visiting my cousin in Chicago, and he showed me the large buildings.

My mother baked cookies and, best of all, she made a big chocolate cake with three layers. I do not want my letter to be too long so I will bring it to a close.

Sincerely yours,  
Robert E. Sanders



pen or typed, they will be liked and people will like us. We shall, therefore, assume that you find it necessary to write good letters and shall give you some practical pointers on letter writing.

**2. You Have a Letter to Write.** A good letter has to be planned, or else, when completed, it will fail to accomplish its purpose, either to entertain or to inform.

*To whom?* Try to get a picture in your mind of the person to whom you are writing. What is he like? Try to form a clear idea of him and keep the picture before you as you write in a natural way, just as you would speak if he were actually standing before you. Some people call this the "you" attitude and it is the most important factor in writing a letter. Never think of yourself. Think only of the person before you in your mind's eye. Will your letter please him?

*About what?* You know to whom you are writing. But what are you writing about? Just what are you going to say? Usually if you have something to say, you will speak naturally. But, when you write, you have to do a great deal of thinking about it. Mistakes that do not show up in oral speech are glaring in written sentences. Use words that are very familiar to you. Words must be used correctly. If you are not quite sure of their meaning, you should look them up in a dictionary. For instance, you will have to decide whether you should use *affect* or *effect*, *lie* or *lay*, and many other words that seem alike but differ quite a bit in meaning. Words must be spelled correctly, too. Misspelled words are like bad manners. They advertise your carelessness and help create a poor opinion of you.

**3. Selecting the Paper and the Ink.** A well-planned letter deserves to be written on appropriate paper. The paper should be of good quality, to give an impression of thoughtfulness. White paper written in black or blue ink gives the most pleasing effect. For advertising purposes in business, where it is desired to produce some special effect, other colors are sometimes used; but for all general letter writing, white is preferred. The paper, of course, should be unruled.

There are several sizes of paper, but it is necessary for

you to know only a few of the standard sizes. You are probably already familiar with what is known as *note-paper size* which is a sheet folded in half and which is used for personal correspondence. Business letters are generally written on size 8½ by 11 inches. There is a size, a little smaller than this, about 7¼ by 10½ inches called *Monarch size*, which is used by professional people and business officials.

Letterheads should be very simple. The letter heading contains the name of the individual, the address, and sometimes the telephone number. Business offices always use printed letterheads. Most individuals, also, now use printed letterheads for business purposes, and many people even have the printed name and address or a monogram of some sort on the paper they use for social and personal correspondence.

4. **Writing the Letter.** Now that you have selected your paper and ink and made sure of your pen, you are ready to start. If you are going to write your letter on plain paper having no printed heading, it is of course necessary to write your address with pen and ink. In doing this, be sure to give complete information so that the person to whom you are writing may correctly address his letter when he replies. The address is usually written in the upper right corner of the letter about two inches from the top of the page. It occupies one or two lines depending upon the length of the items. If a printed letterhead is used, the date line only is required. The most pleasing effect is produced when all the lines end at the right margin of your letter.

214 Porter Street  
Houston, Texas  
October 6, 19-

Judgment should be used in regard to abbreviations. In typewritten letters, such words as avenue, street, and building should be spelled out, but in the penwritten letter, where space is limited, you may be pardoned for using the abbreviations. However, never abbreviate the name of a city, such as *Phila.* for *Philadelphia*. If states are abbreviated, the abbreviation recommended by the Post-Office authorities should be used. States having short names, such as Idaho, Iowa, Maine, Ohio, and Utah, should be spelled out.

5. **Writing the Date Line.** Your business letter should, of course, be dated. In writing or typing the date always spell the name of the month in full, and do not use *st*, *d*, or *th* after the number indicating the day of the month.

1. September 11, 1939

4. September  
Eleventh  
1939

2. September 11  
1939

5. September  
Eleventh  
Nineteen  
Thirty-nine

3. September  
11  
1939

6. September  
Eleventh  
Nineteen Thirty-nine

The headings above show you how the date line should appear. Notice the punctuation carefully. There are many different ways of arranging the date in a typewritten letter. Since you may own a typewriter or type your letters in school, we shall show you both handwritten and typewritten forms.

*January 16, 19-*

*March 24, 19-*

*August 6, 19-*

*June 30, 19-*

The first style given is the one most generally used. The others are used in letters where special effects are desired.

6. **Writing the Introductory Address.** You have written your own address and the date. The next step is to write the *introductory address*. There are two styles of arranging the address. One is called the *block style*. In this style all of the lines begin at the left margin.



Illustrations (4) and (6) below are arranged in the block style. The other style is called the *indented style*. In the indented style, the second and third lines are indented from the left margin. The block style is frequently used in typewritten letters to save time, but the indented style gives a better appearance in penwritten letters.

*Mrs. William J. Coss  
Washington, New Jersey*

1 Mrs. William J. Coss,  
Washington, New Jersey

*Mrs. Millie Guttell  
809 Fairhaven Ave.,  
Poughkeepsie, N. Y.*

2 Mrs. Millie Guttell  
809 Fairhaven Ave.,  
Poughkeepsie, N. Y.

*Mr. Vincent W. Allen  
1354 North Tenth Street.  
Reading, Pa.*

3 Mr. Vincent W. Allen  
1354 North Tenth Street  
Reading, Pa.

*Messrs. Putnam & Grant  
349 South Park Street  
Chicago, Illinois*

4 Messrs. Putnam & Grant  
349 South Park Street  
Chicago, Illinois

*Mr. James B. Franklin, Cashier  
The Union Trust Company  
Cambridge, Mass.*

5 Mr. James B. Franklin, Cashier  
The Union Trust Company  
Cambridge, Mass.

*Mr. Arthur L. Bassett  
General Sales Manager  
Glen Rock Sand Company  
Glen Rock, Illinois*

6 Mr. Arthur L. Bassett  
General Sales Manager  
Glen Rock Sand Company  
Glen Rock, Illinois

The number of lines in the address depends upon the size of the address. If only the name of the town and the state are required, both of these may be placed on the second line as in illustration (1). If a street address is included, the city and state then occupy a third line as shown in illustration (2). When the name of the street is a number, spell out the number as in illustration (3).

Notice that in all of these illustrations the appropriate title precedes the name. This is a mark of courtesy you should never omit. Do not write to Vincent W. Allen. Write to Mr. Vincent W. Allen. When in doubt how to address a lady write *Miss* in preference to *Mrs.* When writing to a doctor or minister, use the courtesy titles *Doctor* or *Reverend*. Always use a courtesy title appropriate to the position of your addressee.

7. **Writing the Salutation.** Upon meeting a person, you speak a word of friendly greeting. The *salutation* in a letter takes the place of this greeting. The salutation to use in a business letter in addressing a man is *Dear Sir*; for a woman, *Dear Madam*; and for a firm, *Gentlemen*. If you are acquainted with the person to whom you are writing, you may use *Dear Mr. Smith* or *Dear Mrs. Jones* in place of *Dear Sir* or *Dear Madam*.

In writing business letters the salutation should be followed by a colon. In letters to friends or relatives you may use a comma. No other marks are proper. For instance:

Mr. Robert Fulton  
16 South Street  
Rochester, N. Y.

Mrs. Arthur L. Townley  
64 Bailey Street

General Products Company  
221 Charles Street  
Baltimore, Maryland

Dear Sir:

Tampa, Florida

Gentlemen:

Dear Madam:

Notice that the salutation begins at the left margin, and that there is a double space both above and below it.

8. **Writing the Body of the Letter.** The preliminary work is now completed. You are ready for the message. The body of the letter contains the message and is the heart of the correspondence. A letter should be attractive in appearance, as usually the first impression of the letter determines the reception it will receive.

*The margins.* In order to place the letter on the page, the length of the letter should be calculated beforehand. A short letter looks much better if the margins are made wide so that the number of lines is increased. The letter will then have a vertical appearance and take the shape of the page upon which it is written. To maintain this appearance in a longer letter, it will be necessary to make the margins narrower.

*The indentions.* The indentions should be the same as those in the name and address. If the indented style is used, the first line of each paragraph should be indented the same as the second line of the address. In typewritten letters this is generally five spaces.

*The paragraphs.* A letter should never be written in one paragraph. It should be cut up into paragraphs to make it look interest-

*Heading*

110 Park Street  
Danville, Illinois  
January 8, 19--

*Inside  
Address*

Mr. Clarence D. Kennedy  
304 Grand Avenue  
Chicago, Illinois

*Salutation*

Dear Sir:

While visiting in Chicago a few weeks ago, I became interested in the Acme Vacuum Cleaner, which I had an opportunity to examine in the home of Mr. James Elliott.

*Body*

It seemed to me to be the most satisfactory cleaner that I had ever seen, and I would like to purchase one like it.

I understand that you are the sole agent for the Acme in this territory and I write to ask that you have your representative call at my home to demonstrate the latest model.

I now have a Model 68 Sunbeam Cleaner which I would like to turn in on my purchase of the Acme. What allowance, if any, would you make?

*Complimentary  
Closing*

Very truly yours

*Katherine A. Beers*  
Katherine A. Beers  
(Mrs. Richard)

*Signature*



ing. It is easier to grasp the meaning of the letter if it is well paragraphed, and consequently it is much more likely to be read. A typewritten letter should be double-spaced between the paragraphs.

*The block style.* In a typewritten letter, all of the lines may start at the left margin. However, in a penwritten letter, the indented style should be used to set the paragraphs off and make the letter easy to read.

*One side of paper.* Letters are written on one side of the paper only. If the letter is too long for one page, it should be carried over to a second page. Plain paper is always used for the second page of a letter. About one inch from the top of this second sheet, write the name of the person to whom you are writing, the page number, and date.

#### ILLUSTRATION OF A SECOND-PAGE HEADING

Hugh R. Reading

-2-

April 2, 19

9. **Writing the Complimentary Close.** The message has been delivered and the time has come to say good-bye. In a personal conversation you always finish with some farewell remark. In a letter the farewell is called a *complimentary close*. The complimentary close is usually centered below the body of the letter. If the letter is typewritten, type the close two spaces below the last line of the body. The tone of the closing depends on the nature of the letter and should be similar to the salutation. The most appropriate closings for a business letter are:

Yours truly,  
Yours very truly,  
Very truly yours,



Respectfully yours is used only when writing to officials or someone to whom it is necessary to show respect. Where a less formal closing is desired, the following are used:

Sincerely,  
Sincerely yours,  
Cordially,  
Cordially yours,

Notice that only the first word of each closing is capitalized and that each is followed by a comma.

10. **Writing the Signature.** The *signature* is the name of the writer. Whether the letter is typewritten or penwritten, the signature is the name by which the person who wrote the letter wishes to be designated.

Of what good is a signature which does not identify the writer? If you are writing a letter and know that your signature is illegible, print your name first and then sign it. In typing a letter, it is customary to type the writer's name as well as to have him sign it in ink. If you are writing in behalf of a club or organization, designate your official position below the signature. A married woman writing to a stranger or business firm indicates her name in this way:

Mary Hall Hunt  
(Mrs. Charles Hunt)

11. **Identifying Marks and Enclosures.** Identifying marks are the initials of the person for whom the letter is written, and the initials of the person who typed the letter. These marks serve two purposes. One is to assist the person who receives the letter in knowing who dictated it. The second is to fix the blame for any error which occurs, should a question about the letter come up. The initials are typed two single spaces below the last line of the signature and begin at the left margin. Sometimes a business house has an individual style in the placement and form of these letters. In that case, always conform to house style.

If papers are to be sent in the same envelope with the letter, this fact is noted by typing or writing the word *enclosure* or *Enc.* in the

left-hand corner under the initials. Indicating the enclosures avoids the possibility of papers being omitted when the letter is sent. Note the following examples:

FLT:BS  
Enc. 2

FLT/BS  
Enclosures

FLT  
BS

FLThomas--BS

**12. Qualities Your Letter Should Possess.** There are many different kinds of letters. In truth, there is a type of letter for every purpose you can imagine. No matter which type of letter you write, there are certain qualities that it should possess, and these qualities are discussed briefly so that you may check yourself each time you write a letter.

Your letter should be brief and to the point. Put facts down so that they may be grasped quickly. State *all* the facts and state them clearly. This means that you must understand the thing about which you are writing. Use simple language that is easy to understand. Be natural and sincere. If you expect prompt action, you must be convincing. This means putting yourself into your letter in such a way that your reader will have confidence in you. Be courteous, as you would if you were speaking orally, and make your letter sound interesting.

*Letters of inquiry.* Almost everybody at one time or another finds it necessary to write a letter of inquiry. You write a letter of inquiry if you wish to seek information of some kind. You may write to request a catalogue or pamphlet of some sort, ask the price of some article, or seek aid in solving some problem.

A short paragraph of two or three lines may be enough to express what is wanted. On the other hand, if the inquiry is for information on some problem, it may be necessary to list the points in short separate paragraphs so that they will be perfectly clear. A good letter of inquiry should state clearly what is wanted, tell the use that is to be made of the information, and express appreciation for the information or aid sought. It is sometimes good judgment to enclose a stamped, self-addressed envelope for reply.

*Letters ordering goods.* A letter ordering goods of any kind should be complete in every detail so that the shipper will have no



difficulty in understanding the order and filling it correctly. The following details should be given:

- (a) A complete description of the article
- (b) The number of each article wanted
- (c) The date when shipment is desired
- (d) The address where the articles are to be shipped
- (e) How they are to be shipped
- (f) A remittance or definite information as to how and when the goods are to be paid for.

If several articles are ordered, they should be listed in tabulated form. That is, each item should be on a separate line indented five spaces from each margin so that the order will stand out and may be easily read.

426 Estes Avenue  
Denver, Colo.  
May 14, 19-

Lasher Stationery Co.

47 Evans Street  
Buffalo, N. Y.

Gentlemen:

Will you kindly send me  
by parcel post the following:

2 pkgs 8 1/2 x 11" Hampton Bond      \$ 1.60  
@ .50

1 doz. pencils Nixon #3      .50

1 Treasure Island by  
Stevenson      1.50  
\$ 3.60

Enclosed you will find  
a money order for \$3.80 to cover  
the cost of the articles to-  
gether with the postage.

Yours truly,  
Frank N. Smith

There are various ways of sending money by mail. You may make payment for goods which you have ordered by enclosing money or stamps, a post office or express money order, a check, or registered letter.

Money is usually sent with the order if the order is small. If you are well-known to the shipper, payment may be made at a later date. In this event a good way is to remit by check, as the cancelled check

413 Parker Ave.  
Salem, Mass.  
Mar. 1, 19-

Mr. William Smith  
69 Federal Place  
Boston, Mass.

Dear Sir:

Enclosed please find my  
personal check for \$14.<sup>50</sup> for  
shipment of materials  
that you forwarded to me  
on February 16.

Yours truly,  
James Olson

will be your receipt for payment. A letter enclosing a remittance (payment) should state clearly the method of remitting, the amount remitted, and the invoice or goods for which payment is made. Care should be used to see that the remittance is not omitted when the letter is prepared for mailing.

*Letters of application.* The purpose of writing a letter of application is to convince the employer that you are the right person for the job. A letter of application is really a sales letter, because you have to set forth your own good qualities, just as you would tell about the good points of some article that you wished to sell. If you do not sell yourself, another applicant will be hired.

In writing a good letter of application you should give the following information:

- (a) Tell how you learned about the job and state the purpose of your letter.
- (b) Give your age, nationality, education, and other information asked for.
- (c) Tell why you think you are fitted for the job.
- (d) Give the names of three or four business acquaintances to whom the employer can refer as to your character and ability. Make it easy for the employer to get in touch with these people by giving the address and telephone number and the hours when they can be conveniently reached.
- (e) Try to arrange an interview at the employer's convenience. Make it easy for him to call you, by giving your telephone number if you have one.

Be truthful in all of your statements. If possible, your letter should be typewritten, unless you are asked to write it with pen and ink. Everything you have learned about making letters attractive should be applied in writing a letter of application.

**13. Folding the Letter.** The letter is now finished and should be properly folded. How you fold the letter depends on the kind of envelope you select. Most business letters written on paper  $8\frac{1}{2} \times 11$  inches are mailed in what is known as a small business-size envelope which is  $6\frac{1}{2}$  inches long. Lay your letter on the desk with the top away from you. Bring the bottom edge up to within about one-half inch of the top edge and fold. Fold the sheet about one third over from the right and fold again. Bring the left edge over to about a quarter of an inch of the right edge and make a third fold. Hold the folded letter in your right hand and insert it in the envelope so that



146 Cherrylane Road  
Madison, Illinois  
June 25, 19-

ND 34

The Chicago Tribune  
Chicago, Illinois

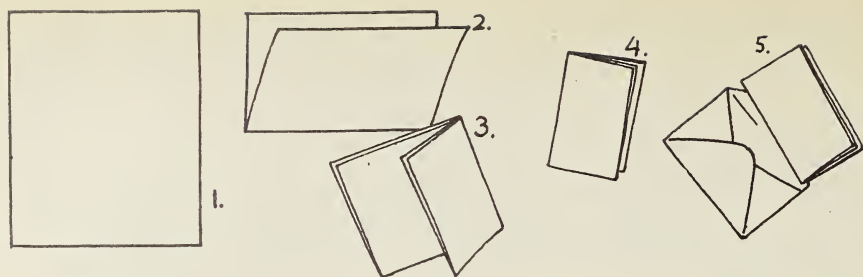
Gentlemen:

I wish to apply for the position of stock boy in a publishing house advertised in the morning's Tribune. The information you ask for is as follows:

1. I am sixteen years of age.
2. I am completing my junior year in the Madison High School.
3. I am strong and healthy. I have played football and basket ball this last year.
4. I am quick in reading and in observing generally, a fact that would enable me to identify books readily.
5. My references are the principal Mr. James Harding and my athletic coach Mr. R. C. Smith.
6. I can come for an interview at your convenience.

Since you called the position a "summer one", I am assuming it ends in time for me to return to school September 8.

Yours very truly,  
Stanton E. Davis



the last fold will come at the bottom when it is held face down and with the flap to the right.

If a long envelope, known as *No. 10* or the *Monarch* size, is used, only two folds are necessary. For these envelopes, bring the bottom edge up about a third of the length of the sheet and fold. Then bring the top edge down to about a quarter of an inch from the first fold. Insert the letter in the envelope so that the last fold will be at the bottom of the envelope. All folds should be neat and even.

**14. Selecting an Envelope.** There are three or four sizes of business envelopes with which you should be familiar. The regular business envelope is about  $3\frac{1}{2} \times 6\frac{1}{2}$  inches. This size takes a letter folded three times as described above. The Monarch size used by professional people is  $4 \times 7\frac{1}{2}$  inches. Some executives use what is known as an *official* envelope which is  $4 \times 9$  inches.

Envelopes should match in quality the paper with which they are used, and the size should be selected according to the paper. Using envelopes that are not appropriate gives the whole letter an untidy and unbusinesslike appearance. Above all, never use a social envelope with business-size paper.

**15. Addressing the Envelope.** The address on the envelope is called the *superscription* of the letter. The address should conform to the regulations of the Post-Office Department. If the address takes two or three lines, it should be double-spaced. If it is long enough to require more than three lines, it is generally single-spaced.

The first line of the address should be placed just below the middle of the envelope and should be almost centered. If not quite centered, the left margin should be greater than the right. Any special notations should be placed in the lower left corner.

The Post-Office Department prefers the use of the indented form in writing the address. The name of the state should be written out on a separate line and in capital letters. It has been found that this form of address is more easily and more accurately read.

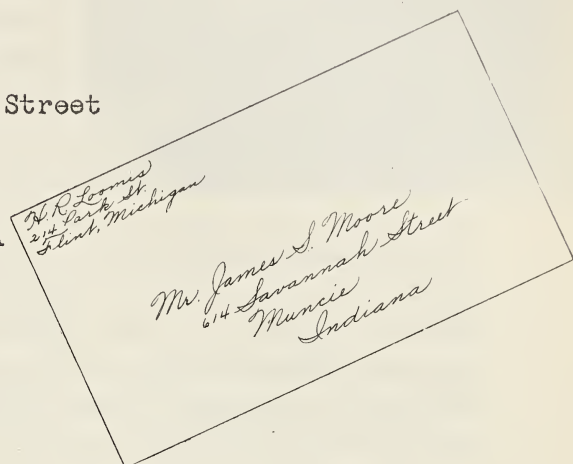
Every envelope should carry the return address which is the name and address of the sender. It should be printed or written in the upper left corner or on the flap. It is important that every letter bear a return address so that if the letter cannot be delivered, it may be returned to the sender. Many letters are lost every year because

The Easy Shoe Company

204 East Redwood Street

Muncie

INDIANA



the sender failed to put a return address on the envelope. Such lost letters are sent to the Dead-Letter Office by the thousands each year.

**16. Sealing and Opening Envelopes.** All business letters, as well as social letters, except letters of introduction, should be carefully sealed. There are both small and large machines for sealing envelopes and most offices have these. For your purposes, however, sealing by hand will do. An easy way to do this is to spread all the envelopes out on a table, with the address side down and only the gummed part of the flap showing. Then run a moistened sponge over the gummed flaps and seal them one by one.

Letters are opened by cutting along the upper edge. In large offices, where a large amount of mail is handled daily, this is done by machine. Where no great amount of mail is received, the envelope





*The collection clerk will pick up this letter at the scheduled time.*

may be slit open with a paper knife or other sharp instrument that permits the envelope to be opened without destroying or damaging the contents.

**17. Affixing the Stamp.** The stamp is placed in the upper right corner of the address side of the envelope. It should be put on neatly so that the edge of the stamp is at the edge of the envelope. Also, it should be put on firmly. Letters are often held for postage because the stamp has come off in handling. This, of course, means a delay which is sometimes serious.

When a stamp-affixing machine is not at hand, the letters should be laid out on a table with the address side up. Tear the stamps in strips and moisten a whole strip by drawing the gummed side across a wet sponge. Then quickly affix each stamp with the right hand and press it down with the left.

It is important to affix the right amount of postage. Where there is any doubt, the letter should be weighed on a postal scale to make sure that the postage is fully prepaid. Do you like to pay the postage on a letter which you have received? Your addressee will not like the idea either.

**18. Mailing Your Letter.** There is in almost every community an official letter box at the corner of various streets for the convenience of the neighborhood. Mail clerks from the post office collect the mail from these boxes at stated times during the day, the time of each collection depending on the departure of mail trains. The collection schedule is generally indicated on the front of the box. You should find out when mail will be collected from the mail box in your section so that you may mail your letters at the time most appropriate for prompt collection.

*First-class mail.* There are four classes of mail: first, second, third, and fourth. All mail that is sealed comes under the heading of first-class mail. Most of your correspondence will be sent in this way.

The postage required for first-class mail within the United States and Canada is three cents for one ounce or a part of an ounce. Letters that are to be mailed to someone in the same town or city where you live, however, require only two cents. If your letter weighs even a fraction more than an ounce, you must affix two stamps.

The postage on a Government postal card is one cent. The stamp is printed on the card so it is not necessary to affix one. Postal cards should be used only for informal or routine mailing purposes. Picture post cards require one-cent postage also.

*Second-class mail.* Second-class mail consists of newspapers and magazines that have been entered at the post office as second-class matter. The postage for this class of mail is one cent for each two ounces.

*Third-class mail.* Third-class mail consists of all printed matter and merchandise that does not weigh over eight ounces. The postage required is one and one-half cents for each two ounces. This service is used mainly for mailing advertising matter and samples.

*Fourth-class mail.* Fourth-class mail includes all material designated as third-class which weighs more than eight ounces. The postage required is determined by the weight of the package and the distance it is to go. The distance is based on zones which have been established by the Post-Office Department. The popular name for fourth-class mail is *Parcel Post*.

By applying to your local post office, you may secure a booklet entitled *Postal Information* which

*Put the correct amount for postage  
and your letter into the Mailomat  
and Uncle Sam does the rest.*





will give the zones and postage rates for this class of mail, as well as any other information regarding the mails which you may need from time to time. You will probably use parcel post frequently for the mailing of gifts and small packages out of town at a low cost. Your package must be securely packed and must contain no writing or it will not be accepted. Very large packages cannot be sent by parcel post.

*Insurance.* A parcel-post package (fourth-class mail) may be insured for its value by paying a fee in addition to the postage required. If you are sending a package valued at \$5.00 or less, you may insure it by paying a fee of five cents. A package valued at from \$50 to \$100 may be insured for twenty-five cents. If the package is lost, the sender will be paid the value of the package after a claim has been filed and investigated.

*Registered mail.* By taking mail that is especially important or valuable to a post office, you may have it registered and obtain a receipt. The fee charged is fifteen cents for mail valued at not more than \$5.00. Mail that is registered receives special care in handling. By paying an additional fee of three cents a return receipt signed by the person who receives the mail may be secured.

*Air mail.* A great deal of important mail is now sent by airplane to save time. The postage required for air mail is six cents for each ounce regardless of distance. You may use special stamps or ordinary stamps, in the proper amount, and mark your letter AIR MAIL. While your letter may be mailed at any box, it will probably leave sooner if mailed at a post office.

*Special Delivery.* If you wish to save time by having mail delivered by special messenger as soon as it is received at the post office at the point of destination, you may do so by affixing a *Special Delivery* stamp. The fee required is ten cents in addition to the regular postage. If a special stamp is not available, you can put on ten cents in stamps and mark your letter *Special Delivery*. In certain rural areas, special-delivery letters mailed late in the day will not be delivered any sooner than the regular mail. In cities, special-delivery services are very effective, as special letters are delivered late at night and even on Sundays and holidays.

## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter :

1. Letters are an important form of communication.
2. A good letter requires careful planning.
3. The stationery used must be appropriate.
4. There are several letter forms which may be used in writing business letters.
5. Salutations and complimentary closings should fit in with the purpose and tone of the letter.
6. The mechanical features of a letter determine its appearance and effectiveness.
7. The envelope deserves as much attention as the letter itself receives.
8. There are many postal services at your disposal.
9. Certain letters require special attention.
10. Good letter writing is an art.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-17 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Tell the class when and why you write letters.
2. Compare the approximate cost of sending a message to a neighboring town twenty-six miles away, by telephone, telegraph, personal delivery by automobile, and mail.
3. Why be fussy about the appearance of a letter? Explain.
4. Imagine that you expect to write a letter. Name the steps you would follow from beginning to end.
5. All courtesy titles are the same. True or false? Why?
6. You are told to write five letters using a different salutation for each letter. Give the five salutations and describe the punctuation you would use.
7. In writing the body of a letter, what items require careful attention? Discuss.
8. Name at least five complimentary closings.
9. Imagine that you have written a letter on 8½ by 11 stationery



which is to be mailed in a small business envelope. Describe how you would fold the letter step by step from beginning to end.

10. First-class mail is rarely used because it is too expensive. True or false? Why?

11. Second-class mail is used for newspapers and magazines while third-class mail is used for printed matter and small parcels. True or false? Discuss.

12. A package of any size weighing more than eight ounces may be sent by parcel post. What is your viewpoint on this question?

13. You are anxious to be considered a good letter writer. What qualities should your letters possess?

14. You are mailing an order for material which is needed at once. What information should be included in your letter?

15. To write a return address on an envelope is a waste of good time. True or false? Why?

16. In a letter, what is the correct title to use for a man? A woman? A firm? A doctor? A minister?

17. Why are identifying marks and enclosures important in a business letter? Discuss.

## SPELLING BEE

Who is the best speller of words in this section? The winner of the last Bee should come up to the front of the room to act as Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

abbreviations	doubt	moistened	receipt
appropriate	effective	necessary	received
available	enclosure	occasion	remittances
beforehand	executives	omitted	rescue
capitalized	farewell	organization	respectfully
centered	frequently	pamphlet	routine
complimentary	generally	poised	similar
consequently	gummed	precedes	sponge
convenience	impression	professional	telegraph
courtesy	initials	prompt	thoughtfulness
designated	investigated	punctuation	typewriter
dictionary	misspelled	ramble	typist

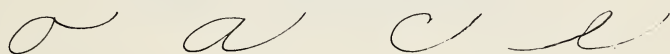
## THE FIRST OF THE THREE R'S—READING

affix	familiar	inquiry	preference
biweekly	glaring	insert	preliminary
catalogue	groomed	judgment	salutation
colon	identify	monogram	special delivery
cordially	illegible	negative	superscription
correspondence	indentions	numerous	tabulated

## THE SECOND OF THE THREE R'S—WRITING

These four letters are made with what is known as a *loop* motion. Care should be taken to close the *o* and *a* at the top; the letter *c* is written with a tiny tick stroke at the beginning; the *e* with an easy swinging motion.

Check your posture and position and then trace these letters as suggested in the previous chapter. Write the words carefully, giving particular attention to slant, size, and spacing. You should be sure that you can spell these words correctly, as they are frequently used.



- |                      |                      |
|----------------------|----------------------|
| 1. <i>occasion</i>   | 6. <i>commission</i> |
| 2. <i>ordinary</i>   | 7. <i>common</i>     |
| 3. <i>operation</i>  | 8. <i>conference</i> |
| 4. <i>assume</i>     | 9. <i>electrical</i> |
| 5. <i>assistance</i> | 10. <i>extension</i> |

## BUILDING BUSINESS HABITS

### Job 1—

- Think of all the letters you have written in the past year.
- Make a list of ten of the letters and indicate whether they were personal, social, or business and the main purpose of the letter.

### Job 2—

- Review the steps in writing a letter.
- Prepare a chart to show this information. Set it up in this way.

## STEPS IN WRITING A LETTER

Step	Description
------	-------------

(c) Complete the chart.

### Job 3—

- (a) Review the information on headings, introductory addresses, courtesy titles, and salutations.
- (b) Prepare an introductory address and salutation for each of the following letters.
  1. A letter to a business firm you do not know.
  2. A letter to a married business woman you do not know.
  3. A letter to a minister.
  4. A letter to your local congressman.
  5. A letter to a businessman you know.
  6. A letter to a business woman you know.
  7. A social letter to a hostess.
  8. A personal letter to a close friend.
  9. A business letter to a young lady.
  10. A letter to a college professor.

### Job 4—

- (a) Check up on the details which should go into the body of a letter.
- (b) Prepare a check list of these points.
- (c) Write a business letter according to your check list.
- (d) Write a personal letter according to the points on your list.

### Job 5—

- (a) Imagine that you have written a letter to each of the people mentioned in Job 3b.
- (b) Prepare a complimentary close and signature for each letter.  
Use all the information you have learned to vary each letter.
- (c) Indicate enclosures and initials on some of the letters.

### Job 6—

- (a) Use the forms prepared in Job 3b.
- (b) Write a simple letter to a person using all the information you have learned in this chapter.
- (c) Submit the letter to your teacher.

**Job 7—**

- (a) Obtain envelopes or sheets of paper cut to resemble envelopes.
- (b) Address the envelopes for each letter mentioned in Job 3b.
- (c) Fold the letters and insert in the envelopes.
- (d) Seal the envelopes.

**Job 8—**

- (a) Visit your local post office.
- (b) Obtain information about the mail services used most frequently, including registered mail, special delivery, and air mail.
- (c) Obtain the details about first-class mail.
- (d) Prepare a class report on this material.



**Job 9—**

- (a) Make a trip to your post office.
- (b) Inquire about second- and third-class mail. What items would be sent under each classification? Cost of each class? Special instructions for mailing?
- (c) Prepare a class report on this information.

**Job 10—**

- (a) Imagine that you have eight packages of assorted size, weight, value, and destination.
- (b) Make a list of your imaginary packages, including their size, weight, contents, value, and destination.
- (c) Go to the post office with your list and determine the special instructions for wrapping and handling parcel-post packages.
- (d) Determine the cost of mailing each package, including insurance.

**Job 11—**

- (a) Review the material on qualities a letter should possess.
- (b) Prepare a check list of these qualities.
- (c) Rate the letter written in Job 6b on the basis of this check list.



**Job 12—**

- (a) Make a list of the points to be included in a letter of inquiry.
- (b) Points included in an order letter.
- (c) Points included in a letter of application.

**Job 13—**

- (a) You are the secretary of the commercial club of your school.
- (b) Write a letter to a local executive inviting him to speak to your club on "Conduct in Business."
- (c) Address the envelope and submit the letter to your teacher for approval.

**Job 14—**

- (a) Assume that the Christmas or Easter holidays are approaching and local stores are hiring extra help for the holiday rush.
- (b) Write a letter applying for temporary employment.

**THE THIRD OF THE THREE R'S—ARITHMETIC**

**Situation 1—**

- (a) Assume that you have helped your father mail the following items:

168 letters weighing  $\frac{3}{4}$  ounce  
172 letters weighing  $1\frac{1}{2}$  ounces  
340 post cards  
112 letters weighing 2 ounces  
79 letters weighing  $2\frac{1}{2}$  ounces

- (b) Calculate the total mailing cost.
- (c) If this is a weekly mailing list, what is the monthly cost?
- (d) Annual mailing cost?

**Situation 2—**

- (a) You are working for a local businessman who is mailing newspapers and magazines. You have prepared for mailing:

486 newspapers weighing four ounces each  
397 magazines weighing six ounces  
364 newspapers weighing two ounces  
876 magazines weighing four ounces

- (b) Calculate the total mailing cost.
- (c) If this is a biweekly mailing, what is the monthly cost?
- (d) Annual cost?

**Situation 3—**

- (a) Imagine that you are helping your father in his business. You are mailing:

392 catalogues weighing  $6\frac{1}{2}$  ounces  
941 catalogues weighing 5 ounces  
630 catalogues weighing 4 ounces  
852 samples weighing 6 ounces  
391 samples weighing 4 ounces

- (b) Calculate total cost of mailing.  
(c) This is a quarterly mailing. Calculate the annual cost.

**Situation 4—**

- (a) You have written a letter ordering the following items:

6 shirts @ 92¢ each  
6 ties @ 59¢ each  
1  $\frac{1}{2}$  doz. towels @ 19¢ each  
3 pr. shoes @ \$2.39 each  
1 doz. pencils @ 2 for 19¢  
3 boxes stationery @ 39¢ each  
 $\frac{1}{2}$  gross envelopes @ 11¢ a dozen

- (b) Calculate the total cost of your order.

**Situation 5—**

- (a) You are mailing some special notices:

36 air-mail letters weighing two ounces  
54 air-mail letters weighing one ounce  
29 special-delivery letters weighing two ounces  
32 special-delivery letters weighing one ounce

- (b) Calculate the total cost.





## V

# FILING AND FINDING YOUR VALUABLE PAPERS

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *Suppose you are reviewing for a test and wish to refer to some important test papers. How would you find them?*
2. *You expect to use some of your notes in this course next year in another subject. How would you file them away for ready reference?*
3. *Suppose your father has a retail store. He gives you the job of building up a mailing list of his customers. Just how would you go about it?*

1. **Filing and Finding Papers.** Have you ever spent hours looking for some notes, a bill, or a receipt which you or somebody else had carelessly left in some forgotten place? We have all had that experience at one time or another. Yet it is such a simple matter to arrange papers and documents so that they may be found in a jiffy. Furthermore, when they are arranged systematically, they require less space and hence material can be kept which would otherwise need to be destroyed. The orderly storing away of material today for ready reference tomorrow is called *filing*.

The need for keeping important papers is not new. Our grandparents, and their parents before them, also felt this need. Necessity has always been the mother of invention and so, through the years, the people of each period have tried out many different methods of preserving valuable papers. Each new method was an improvement over the last until, today, papers are kept in drawers, filed on edge so that they may be found easily. Sometimes, in offices where many thousands of papers are handled daily, whole sections of rooms, and

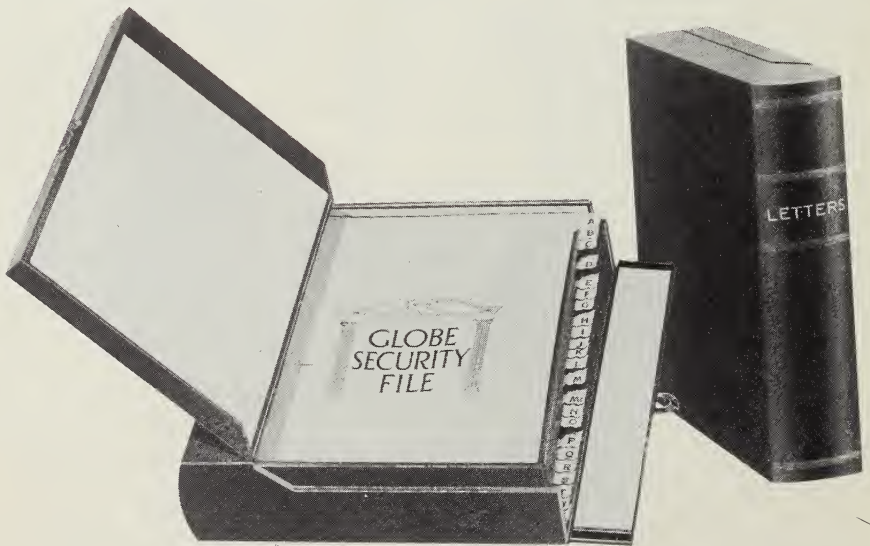




even whole rooms, may be given over to the important work of filing papers.

One of the earliest files used was known as the *spindle file*. This was a sharp-pointed nail or wire fastened upright on a piece of wood or metal. Papers were placed on this spike in the order in which they were received, one on top of the other. Do you see why this was not very satisfactory? In order to find any paper, all the other papers had to be taken off until the one needed was found.

So the spindle file gave way to the *box file* which was much more convenient for certain purposes. The box file was shaped like a book and contained heavy sheets fastened along one edge. There was one of these sheets for each letter of the alphabet so that papers could be placed in the box in a definite order. Of course, the papers were



loose, and whenever the box was accidentally dropped, all the papers fell out. However, the open end could be closed and, with care, the box could be carried about without danger of losing the papers.

But this file did not prove to be very satisfactory either for all purposes. The box soon became filled and other boxes had to be used. When several boxes were in use, it was often necessary to look through all of them before a certain paper could be found.

Then came what was known as a *flat file*. This consisted of several trays, arranged in a cabinet, each tray labeled with a letter of the alphabet. These trays were more convenient to handle but they were awkward because all the papers above the one needed had to be lifted.

The next development brought the use of the *vertical file*. In this file the papers are filed on edge in an upright position, one paper back of the other, making them easier to find. They are called vertical files because the papers are filed in a vertical or upright position.

Vertical files are made up of one or of several drawers depending upon the number of papers to be filed. These drawers may be arranged one above the other in what is known as a vertical unit, or side by side in a horizontal unit, according to the space to be occupied. Vertical-file cabinets are made for almost any size of paper from a small card 3 by 5 inches to large sheets 8½ by 15 inches.

Thus, while vertical files are widely used in most business offices today, the spindle, box, and flat files are used for those special purposes for which they are best suited. For the temporary filing of receipts or sales slips, the spindle file is entirely satisfactory. For simple home use, the box file may be entirely adequate. For storage purposes only, a flat file may be

*Careful filing means easy finding.*



very economical and satisfactory. The important thing is to select the file which is best adapted to your needs. Let us assume that you have selected your file. The next step is to file your material in the best manner possible.

2. **Filing Methods.** Before filing a letter, you must first decide upon the name under which you would be most likely to look for it later. A letter may be filed under any one of several names:

The name on the letterhead

The name of the person who signed the letter

The subject about which the letter is written

The city or town from which the letter was mailed

The name of the person to whom the letter is addressed, if it is a carbon of a letter you are mailing to someone else.

Which one of these names would help you most in finding the letter in the file? That is a question you must decide before you can file the letter. To do this, it is necessary to read at least a part of the letter to find out what it is about. Deciding the letter under which the correspondence is to be filed is called *indexing*.

After deciding this point, it is well to draw a line, with a colored pencil, under the name so that, should you wish to take the letter from the file, you will be able to put it back in the same place without having to go to the trouble of indexing it again.

The next step is to sort the correspondence into piles ready for filing. If the index name (or caption) under which you drew a line with your colored pencil begins with an *A* you put that letter in a pile kept for names beginning with *A*, and so on with each letter or paper until all the correspondence is sorted, according to the arrangement of your file. This system of filing is called *alphabetic filing*.

Now let us examine the contents of your filing cabinet or case. You will see that it is equipped with *guides* and *folders*. What is meant by a guide? A guide is a large card made of heavy pasteboard cut the same size as the folder, and usually of a different color. The purpose of the guide is to separate the file into small sections so that the letters of each section may be found quickly. Each guide has a tab or extension at the top on which is printed a letter or division of

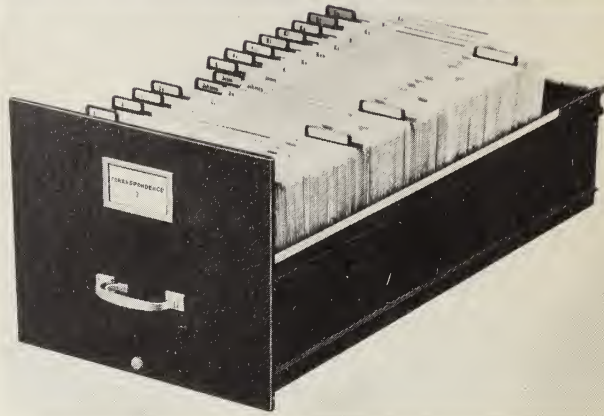


the alphabet. These twenty-six guides in your file make it much easier to locate a piece of correspondence than having to search through the entire file for the first letter of your title.

The folders are made of heavy paper folded in half to make a pocket for the letters. The back leaf of the folder usually has a tab at the top bearing an index name to indicate the contents of the folder. Folders are placed back of the guides. For example, all of the folders whose index-names begin with *A* are placed back of the *A* guide. In this way, all of the correspondence filed under the letter *A* is kept together in a folder back of the *A* guide.

All the pieces of correspondence whose index-names begin with the same letter are put into one folder called a *miscellaneous* folder. This miscellaneous folder is placed back of the individual folders. As soon as five or six letters relating to the same person or subject have collected in the miscellaneous folder, they are taken out and placed in an *individual* folder. That is, they are important enough then to have a home of their own.

Letters are filed in folders on edge with the top of the letter to the left of the file. In a miscellaneous folder, the letters are put in order according to the names. In an individual folder, the letters are filed according to the date, the letter bearing the most recent date is always placed in the front of the folder.



*How keen are your eyes? Can you name all the objects in both pictures?*

3. **Filing Rules and Regulations.** A little experience in using your file will show you that names vary a great deal. For example, a name may be that of a person, a firm, an institution such as a hospital, the name of a city, the subject of the letter, or even just initials. In order that anyone may find a letter quickly, it is necessary to follow definite rules for placing them in the file. What are some of the rules which you should learn for your own use in filing any type of material?

1. Suppose the name is that of an individual, William J. Downey. Before filing the letter in the correct place, you must rearrange the name so that the surname (last name) comes first, and the first name next, followed by the middle name or letter.

Here are some names taken from a directory showing how they are usually written and how they are rearranged for filing:

<i>Name as Written</i>	<i>Indexed for Filing</i>
William J. Downey	Downey, William J.
Henry H. Farrington	Farrington, Henry H.
Jerome G. Richardson	Richardson, Jerome G.

2. Suppose that back of the *A guide* you had four individual folders bearing the following names:

Abrams, David C.  
Ackerman, G. F.  
Adams, William T.  
Allbright, Clifford

The folder for *David C. Abrams* would come at the front of the file next to the guide, and those for *Ackerman*, *Adams*, and *Allbright* would be placed back of it in the order given.

Do you see why the folder for Abrams came before that for Ackerman? Because all names are placed in alphabetic order. The first letters of the names are considered first. Then the second and third, and so on until all of the letters have been eliminated. If you have letters bearing the same names in your miscellaneous folder, the same rule would be followed. In other words, this rule always holds true. Use it in all your filing work.

Most names contain more than one word. In filing, each word of a name is called a *unit*. Here are some names arranged in units:

<i>Name as Written</i>	<i>Unit 1</i>	<i>Unit 2</i>	<i>Unit 3</i>
Clifford W. Allen	Allen, Clifford	W.	
George C. Allen	Allen, George	C.	
George Frederick Allen	Allen, George	Frederick	
Harry Clinton Allen	Allen, Harry	Clinton	

In this list of names, Unit 1 is the same in each case so Unit 2 had to be considered in deciding upon the correct order. In the second and third names, Unit 2 as well as Unit 1 are the same so that Unit 3 had to be considered.

So, you see, in filing, all names have to be arranged in alphabetic order from *A* to *Z*, to the last letter in the unit, as each word is considered separately.

3. The names of firms and institutions are indexed just as they are written, except when the firm name contains the full name of an individual. When the firm name is the full name of an individual, it is indexed in the usual manner with the surname (last name) first. Note the following examples:

*Name as Written*

Harrison Electric Appliance Company  
 Homeopathic Hospital  
 Ernest L. Smith & Sons  
 Smith Realty Company  
 William R. Smith Realty Associates

*This Is How They Would Be Indexed*

Harrison Electric Appliance Company  
 Homeopathic Hospital  
 Smith, Ernest L. & Sons  
 Smith Realty Company  
 Smith, William R., Realty Associates



4. Some parts of names are omitted in indexing.

- (a) When the word *the* is part of the name, it is put in parentheses and disregarded.

<i>Name as Written</i>	<i>Indexed as</i>
The Quality Book Store	Quality Book Store (The)
Hartley the Jeweler	Hartley (The) Jeweler

- (b) Such phrases as *Board of*, *Department of*, *Bureau of*, when they refer to the government, are put in parentheses and disregarded in indexing.

<i>Name as Written</i>	<i>Indexed as</i>
Bureau of Docks	Docks (Bureau of)
Board of Education	Education (Board of)
Department of Health	Health (Department of)

These names would be found under the name of the community they serve.

- (c) Abbreviations such as *Prof.*, *Dr.*, *Jr.*, and so forth, used as titles, and words and signs such as *and*, *for*, *etc.* are disregarded in filing.

<i>Name as Written</i>	<i>Indexed as</i>
Dr. James G. Simpson	Simpson, James G. (Dr.)
Joseph Gott, Jr.	Gott, Joseph (Jr.)
Barth & Koplin	Barth (&) Koplin
Committee for Relief	Committee (for), Relief

- (d) In possessive words, the apostrophe and *s* (*'s*) are not considered in filing.

Chapman's Dairy  
Chapman Lumber Co.

Do you see why *Chapman's Dairy* is filed before *Chapman Lumber Co.*?

5. While some parts of names are disregarded in indexing and filing, other parts are considered.

- (a) The abbreviations *Inc.*, *Bros.*, *Mfg.*, *Co.*, and *Corp.* are

considered in indexing and are filed as though spelled out in full.

Gorman Bros.  
Gorman Co. (The)  
Gorman Inc.  
Gorman Mfg. Co.

6. Many names have prefixes as *De* (*de*, *d'*), *du*, *von*, *Le* (*L'*), *MP*, *Mc*, *Mac*, and *O'*. These prefixes are indexed as part of the surname.

DeGeorge, Leon  
de Laforge, Chester  
D'Elia, John  
Del Plato, Michael  
DiGrande, Philip  
MacDonald, John  
McNeeley, Alexander  
O'Connor, Martin

7. Some names are written with a hyphen. If the name is that of any individual it is indexed as one word. For example, *Robert E. Allyn-Hall* would be indexed as *Allyn-Hall*, *Robert E.*

A firm name written with hyphens is indexed as separate words. For example, *Bilt-Well Furniture Company* would be indexed as *Bilt Well Furniture Company*. *Land-O-Lakes Creamery* would be indexed as *Land O Lakes Creamery*.

8. Compound geographic names, written as separate words, are usually indexed as one word:

New Jersey  
Newtown  
New York

9. Names which begin with a numeral should be filed as though the numerals were spelled out.

*Written*  
42 Park Place  
5th Street Church

*Indexed*  
Forty-two Park Place  
Fifth Street Church

10. Words that are spelled either as one word or two words are indexed as though spelled as one word.

North Side Produce Market  
North East Tea Company

Can you tell why *North East* comes before or after *North Side*?

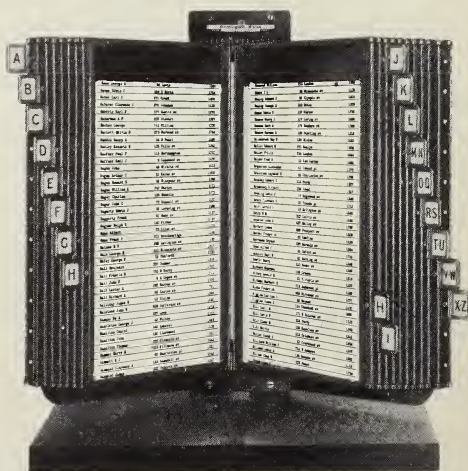
#### 4. Filing Systems.

*Alphabetic filing.* We have already mentioned that if you filed all your correspondence according to the letters of the last name in alphabetic order you would be using an *alphabetic system*.

*Subject filing.* Let us imagine, however, that you are not interested in filing material by name. You desire to file it according to the subject matter of the material. You want, for example, to file all your history papers in a history file and all your English papers under English. You would then be using a *subject-filing system*.

*Numeric filing.* Suppose you had a newspaper route with several hundred customers located all over town. It is necessary for you to arrange your files according to house numbers on various blocks. When you reach 982 Second Street, it is essential to know your cus-

*A vertical card file and a visible index file.*





tomers in that building. Your file arranged in this way is a *numeric file*. You would probably also want an alphabetic file which would contain the name of each customer and a cross reference to his address. In this way you can always locate each customer in either file.

*Geographic filing.* Imagine that your father has a mail-order business with customers all over the world. In addition to an alphabetic file of customers' names, he wants to know how many customers live in various countries, states, and cities. He, therefore, builds a second file based on geographic locations. This is called *geographic filing*. His file would contain master guides for each country. Within each country there would be guides for each state and then for cities within a state in which customers are located. In this way, he can tell at a glance the number of customers and the names of those who live in London, England, or in Cleveland, Ohio.

All of the filing systems are used in business more frequently than you would imagine from the small amount of space we have devoted to them. We merely mentioned them in order to acquaint you with their existence.

*Numeric filing in a visible record file.*



## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter :

1. Good filing systems increase efficiency.
2. Throughout the ages people have experimented with various filing devices.
3. For general use, vertical filing is considered very effective.
4. Filing systems vary according to the needs of an individual.
5. Indexing is the first step in filing.
6. A knowledge of filing rules will be useful in many situations even if you never become a file clerk.
7. There are four main filing systems.



### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-17 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Why bother with filing systems?
2. Name five items in your home which should be filed for future use.
3. Assume that you are the manager of a baseball team. What information would you file for use next year?
4. The members of your class are interested as to how filing systems developed. Satisfy their curiosity.
5. You have received a letter from Mr. J. Brown, Service Manager of the Electrical Division of the Public Service Corporation, San Francisco, Cal., in regard to a complaint about your electric bill. Name the various captions under which this letter may be filed.
6. You have set up a filing system in your home. Describe the steps involved in filing a piece of correspondence.
7. Identify: spindle file, miscellaneous folders, numeric filing, tabs, and vertical files.

8. Indexing is copying notes on index cards. True or false? Why?
9. Discuss three filing rules and illustrate each to prove that you understand it.
10. What are the first two steps in alphabetic indexing? Illustrate.
11. Firm names are always indexed just as they are written. Discuss.
12. When you are indexing names, some parts of the name are left out and other parts are included. True or false? Why?
13. How are prefixes and hyphens treated when names are indexed?
14. Geographic names are not indexed in strict alphabetic order. True or false? Why?
15. There are four main filing systems. Discuss.
16. Describe the kind of file that you think would be most useful in your home. Give the reasons for your choice.
17. What is the test of a good filing method?

## SPELLING BEE

Who is the best speller of words in this section? The winner of the last Bee should come up to the front of the room to act as Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

abbreviations	disregarded	hyphen	rearrange
accidentally	division	initials	receipt
address	eliminated	institution	refer
adequate	essential	knowledge	retail
alphabetic	experience	necessary	reviewing
apostrophe	experimented	necessity	satisfactory
awkward	fastened	numerals	storing
carelessly	filing	numeric	systematically
compound	folders	orderly	temporary
correspondence	furthermore	parentheses	upright
creamery	geographic	possessive	valuable
drawers	grandparents	prefixes	vary





## THE FIRST OF THE THREE R'S—READING

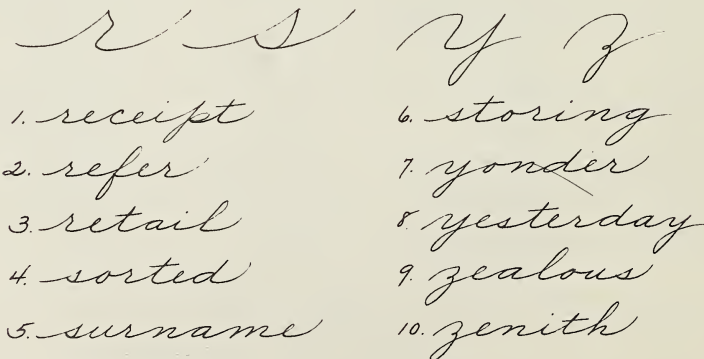
addressee	documents	mailing list	ready
caption	filing	miscellaneous	sorted
course	guides	numeric	spindle file
cross-reference	horizontal	prefixes	surname
curiosity	indexing	preserving	tab
destroyed	letterhead	procedure	vertical

## THE SECOND OF THE THREE R'S—WRITING

The letters *r* and *s* have similar beginning and ending strokes. Care should be taken in making the downward stroke in the *r* so that it will parallel the upward or initial stroke. Strive to write the letter *s* without slicing the lower portion of it.

The letters *y* and *z* are the first loop letters that we have studied. The beginning stroke is the *over* stroke, the same as already used in the *m* and *n*. Care should be taken in acquiring the correct slant of the loop part of each letter. The final upward stroke of the loop crosses at the line of writing.

At this point it is suggested that you write the specimen page appearing in Chapter One and make a comparison to find out if you are showing improvement in your work in handwriting. Always check your posture and position and make sure that the nails of the third and fourth fingers are gliding over the page as you write.



## BUILDING BUSINESS HABITS

### Job 1—

- (a) Imagine that you are a filing expert and have been hired to install filing systems in your home and school.
- (b) Investigate the materials which should be filed in your home. Make a list of these items and indicate how they are being filed at the present time.
- (c) Investigate the items in your school which should be filed. If possible, indicate how they are now filed.

### Job 2—

- (a) You are now searching for examples of various files. Look around your home, your school, local stores, and factories for various files.
- (b) Make a list of the files discovered and the purpose for which each is being used.
- (c) Report to the class on the use being made of various files in your community.

### Job 3—

- (a) Review filing procedure.
- (b) Set up a chart to show the information in this way.

#### FILING PROCEDURE

Step	Description
------	-------------

- (c) Complete the chart.

### Job 4—

- (a) Look over the information on filing.
- (b) Write a brief description of the following terms:

tabs	miscellaneous folders
guides	spindle file
cabinets	individual folders
vertical files	box file
folders	visible files

- (c) Be prepared to make a class report on this material.
- (d) Bring samples to show the class.

Job 5—

- (a) Review all of the filing rules.
- (b) Set up a chart to show the information in this way.

FILING RULES

Rule	Illustration
------	--------------

- (c) Complete the chart.

Job 6—

- (a) You have received letters from the following people:

Edward J. Gilbert	Cornelia Enright
Earl J. Conklin	John E. Carlough
Theodore R. Lindsley	Everett B. Carswell
Earl K. Conklin	Robert H. Gilbert
Esther R. Gilbert	Kenneth F. Colbert
Robert B. Gehrkin	Colleen Enright
Thomas J. Gikney	Robert H. Gehrkin

- (b) Rearrange the names for indexing and filing purposes.
- (c) Explain the rules you observed.

Job 7—

- (a) You have received correspondence from the following firms and institutions.

Board of Education, Newark, N. J.	Kennedy Mfg. Co.
The Y. M. C. A., Dayton, Ohio	Kennedy's Lunch
The E. R. Greeley Company	Kennedy Inc.
Prentis and Roberts Inc.	John Robertson Company
The Fashionable Dress Shop	Rogers Peet Company
Roberts the Tailor	The New York Times
Doctors Hospital	5th Avenue Hotel
Greeley Management Co.	The Drake
Department of Sanitation, New York City	RCA Institutes, Inc.
Dr. Robert C. Roberts	Farrar & Rinehart
Thomas B. Robertson, Jr.	Keen's Chop House
Thomas B. Robertson, 3rd	American Woman's Club
	The New Haven R.R.
	Le Blanc Hosiery Co.



- (b) Write each name on a slip of paper 3 by 5 inches in proper indexing order.
- (c) Arrange the slips for filing.
- (d) Submit the slips to your teacher for checking.

### Job 8—

- (a) Your father has had business dealings with the following people:

Robert O'Brien	Bilt-Rite Furniture Co.
James O'Hara	New England Produce Co.
James O. Shaughnessy	Robert Newlon
James O'Shaughnessy	West Side Tennis Club
Peter Le Mange	West Town Varnish Co.
Rocco Del Cassio	96 Academy Street Corporation
Sam Mac Andrews	8th Street Hospital
Wilhelm Von Bulow	Hattie the Milliner
Jacob D'Andrea	Peter Del Fortunato
Lester de Latour	Margaret La Tourette
August De Ponce	Thomas Van Horn
William McKenna	Joseph O. Josephs
Seymour E. Bella-Horn	Milton I. Mills

- (b) Index each name on a slip of paper 3 × 5 inches.
- (c) Arrange the slips in alphabetic order.
- (d) Submit the slips to your teacher for checking.

### Job 9—

- (a) Review filing systems.
- (b) Set up a chart to show the information in this way.

### FILING SYSTEMS

System	Characteristics	Advantages	Disadvantages

- (c) Complete the chart.

### THE THIRD OF THE THREE R'S—ARITHMETIC

Review situations 1 and 2 completed in Chapters I, II, III, and IV.



## VI

### MONEY—HOW IT SHOULD BE HANDLED

**STOP! THINK!** *Can you answer these questions before you read the text?*

1. *Suppose that money did not exist. Could you and your family get the things you need and want? How?*
2. *How many forms of money are there? Can you name them?*
3. *If you wish to send \$5.00 to your cousin in a distant city, would you mail a five-dollar bill in an envelope? Just what would you do?*

1. **Money.** You have heard a great deal about money. But, if asked for a definition of money, you would probably have a difficult time to define it. Yet, as far back as you can remember, you have heard about, talked about, seen, and handled money. It is one of those everyday things which we take for granted and, therefore, never stop to think about. Ask yourself: Just what is money? How does it work? What ought I to know about it?

Many years before money was known, people supplied all their own needs. They killed wild animals for food, built their own shelters, and used the skins of animals for clothing. Twigs and branches of trees served as fuel for fire. Stones and rocks were made into weapons. The teeth of animals were used as ornaments. The needs of the people were simple.

Then, many years later as their needs and wants became greater, people found that they could get certain things from one another according to that which each one had and wanted. If a person had corn, but did not have a weapon, he found someone who had weapons but needed corn. They then made an exchange. Articles of furniture were exchanged for other articles. This is known as *barter*. Today, in a like manner, boys and girls who are stamp collectors



exchange or trade postage stamps or a boy may exchange a pocket knife for a ball. These are also a form of barter. You have read in your history and in story books about the American colonists who exchanged articles which they had or needed. Barter is a method of obtaining what one wants by exchanging one article for another.

Have you ever wanted a camera so badly that you were willing to trade your roller skates for one? Perhaps your friends who already had cameras did not want your roller skates. In such a case, barter does not prove to be a workable system. People soon found this to be true. A person could not always get the things he wanted in exchange for the things he had to offer.

But it was found that there were certain things everyone wanted. These things were looked upon as having value, for they could be used in the purchase of articles of food, shelter, and clothing. In this manner people valued and used skins, cattle, shells, corn, cloth, salt, and wampum (beads strung on a thread). The American Indians placed a particular value upon wampum, and all Indians valued and wanted it. So, wampum was used in exchange for articles of every-

*"I want two bushels of wheat for my bushel of peaches. Is it a deal?"*





day life and was the *medium of exchange* of the Indians. Additional wampum was needed to purchase articles of greater value. Sometimes a finer quality or more colorful wampum was required as the purchase price for valuable articles of use. If ten strings of wampum were required to buy a poor horse, twenty strings were needed for a fine horse. Wampum served not only as a medium of exchange, but also as a measure of value. Wampum passed freely from hand to hand in exchange for goods or service. Therefore, we can say that

it was money. Why do we not now use wampum, or shells, or skins, or cattle as money? As business increased and as population increased and as people began living closer together in towns and cities, an entirely different kind of medium of exchange was needed. The former kind no longer served the purpose. A good medium of exchange had to be something that could easily be carried from place to place, had great value in small quantity, was durable and so would be lasting, and could be divided into different numbers. Skins, cattle, wampum, and other commodities did not fit these requirements. Imagine trying to put a cow in your pocket to buy a new suit!

Gold and silver satisfy the requirements of a good medium of exchange. Gold and silver are sufficiently scarce to be of value and to be wanted. They are metals everyone values and wants. They can be broken up into pieces small enough to be carried about one's person. A small quantity has great value. The metals can be used indefinitely, and they can be divided into different quantities. Gold and silver have been made into coins, and we now have a medium of exchange which is used simply and effectively. This is known as *money*. Today, some form of money is used in every civilized country of the world.



*Trading victuals for Shakespeare.*

People use money for the purchase of their needs and wants—food, shelter, clothing, fuel, comforts, and luxuries. The employer gives money to your father, exchanging it for his knowledge, experience, and labor. When your mother wishes to buy food, she exchanges money for meat, bread, butter, eggs, and milk. The grocer, in turn, exchanges the money for the things he wants. The person who accumulates money and does not use it derives no benefit from it. For him, money is not a medium of exchange. He merely hoards it. Money should be circulated, spent, or saved according to a plan. It serves a good and useful purpose when it gives us, in exchange, those things we need and want.



Money is used as a measure of value. If a ball sells for fifty cents, we say that the value of that ball is measured by the fifty cents which must be paid for it. A larger ball or a ball of better quality and durability is worth more. Therefore, it has greater value. As a result, more money must be paid for it. Its value is measured by the greater amount of money necessary to buy it. So we see that money is also a measure of value, in addition to being a medium of exchange.

A good medium of exchange, we have learned, should be something which is not alive, cannot spoil, will not wear out, can be easily carried from place to place, and can be easily divided into parts having a definite value. Gold and silver have all these characteristics. The silver dollar is the highest denomination of metal money now

made in the United States. Have you seen many silver dollars in circulation? Probably not, unless you live in the far West. A silver dollar is too large and too heavy to be carried conveniently.

We do have in abundance, however, metal money, or coins, of smaller denominations. Such coins are half dollars, quarters, dimes, nickels, and pennies. These coins are made because they are convenient for carrying, for making small purchases, and for making change. When making a small purchase it is best to give the correct amount of coins in payment. If you do not have the correct amount, then the next highest amount should be given, so that you need not handle a greater amount than is necessary. The next time you are in a bank, look at a deposit slip. On this slip you will see the word *specie*. This is a term used for metal money. Sometimes the word *coins* is used for the same meaning. It is impossible to make silver dollars smaller and lighter in weight because they must contain a specific amount of silver. So another form of money was needed to be used in place of them. It was found that paper money, or currency, could be used to represent the silver dollar. Through the years, paper money has proved to be an excellent medium for use in everyday business transactions. It is extremely light in weight, it is small in size, and may be folded so as to take up very little space.

In order to guarantee the value of the paper dollar (silver certificate) as being worth one dollar in silver, the government holds one dollar in silver for every silver certificate issued in circulation among the people. If he so desires, a holder of a silver certificate may always exchange it for silver which is held by the government to guarantee the payment of the certificate.

For greater convenience, paper money is issued in denominations larger than one dollar. There are, in addition to the one-dollar bill, the two-dollar, five-dollar, ten-dollar, twenty-dollar, fifty-dollar, and one-hundred-dollar bills in general use. Since paper money wears out after much use, banks send worn bills to the government and receive new bills in exchange. Our government, in Washington, D. C., maintains a department especially for this purpose.

If your friend owes you one dollar, would you prefer to receive one hundred pennies or two half dollars? You would probably



choose the two half dollars in payment, unless you had a special use for the pennies. You could not conveniently carry one hundred pennies in your pocket. There is a law which gives you the privilege of refusing to accept coins in large quantities. Coins are made only for convenience and should be used only in making exact change in business transactions, or for purchases or payments amounting to less than a dollar. Therefore, the law states that coins may be used as *legal tender* only in definite amounts. The amounts for legal tender which must be accepted in payment of all debts are:



Pennies and nickels .....	up to \$.25
Dimes, quarters and half dollars .....	up to \$10
Silver dollars .....	any amount
Silver certificates (currency) .....	any amount

2. **Cash.** Since money is so important in your daily life, you should know how to handle it correctly when it comes into your possession. Get into the habit of never carrying more cash than you expect to need in the near future. There is always the risk of loss involved in carrying large sums of money. You may lose some of it. You may be robbed. If you leave currency at home, a fire may destroy your hiding place together with the hidden hoard. You may be tempted to buy luxuries which you cannot afford. Make it a practice to determine your money needs and to keep your surplus funds in a bank. You can always obtain more money if you have it on deposit.



In paying your current (present) obligations with cash, use coins for payments of less than a dollar. Use currency (bills) of various denominations for larger payments. Always count your money when you receive it. Even when your best friend gives you money, verify the amount received. It is no reflection on the honesty of a bank clerk, friend, or merchant to count the money received in his presence. You have heard the expression, "It is human to err." All of us make mistakes. Errors which are detected while you are still facing the person are easily corrected without causing hard feelings. Once you leave, you may experience greater difficulty in proving your claim.

In making change for others, you will find it helpful to state the amount of the transaction and the amount received in payment, "\$2.65 out of \$5.00." This calls attention to the amount involved and the denomination received. The other party cannot return later to say that he gave you a ten-dollar bill when you specifically told him and showed him, at the time of receipt, that it was a five-dollar bill. You will also find it helpful to make change or pay obligations with the largest denominations of specie or currency possible. The reason behind this is, the fewer coins you handle the less likely you are to make an error. If you owe twenty-five cents and have a quarter in your possession by all means use it instead of twenty-five pennies or five nickels. When handling bills look carefully at the denomination before passing them along. Leaving a five-dollar bill by mistake in payment of one dollar owed is a costly error. Always handle the bill to be certain that you are issuing one bill instead of two or three. This is especially important in using clean, crisp, new currency.



Businessmen use cash registers and other coin machines in making change, counting, assorting, and packing coins. The average person has little use for these devices. A good wallet or purse, a small coin bank at home, a simple cash record, and a bank account are sufficient safeguards for the sums of money you will ordinarily handle.

If you receive or handle many coins, your bank will provide you with coin wrappers so that you may arrange them in a convenient manner. Fifty pennies are placed into one wrapper. Forty nickels for a total of two dollars are packed into a wrapper. Other wrappers are designed to pack fifty dimes, forty quarters, twenty half dollars, and twenty silver dollars. Retail-store owners use these coin wrappers in depositing their daily cash receipts. They also obtain coins of various denominations from banks to use in making change. It is a poor businessman who loses a sale because he does not have the proper change on hand.

3. **Paying Bills.** Your mother makes daily purchases of food at the neighborhood grocery store. Your father buys the daily newspaper and pays for his lunch. You buy candy and ice cream. These are all daily business transactions which are carried on personally. When the purchase is made, cash is given in payment.

But all business transactions cannot be attended to personally in this manner between the seller and the buyer. Today, much of our business is carried on with people in other cities, states, and countries. To make all transfers of cash personally would cause a great loss of time and would involve a large amount of expense. Your grocer may buy canned foods from a company in Chicago. The stationer may buy supplies from a company in Philadelphia. The lumber merchant may get lumber from Oregon. The clothes you wear may have been purchased by the clothing store from a manufacturer in a larger city. Suppose you order a bicycle from a mail-order house, halfway across the continent. Payment must be made. Would you enclose cash in an envelope and mail it to the distant city? What would happen to the money if the envelope were lost in the mail or if the envelope should be accidentally torn or destroyed? You would suffer a loss. Then, too, you would have no receipt showing that a definite amount of cash has been mailed in payment of your obligation. This is a

dangerous and a careless method of transacting business. Business people, therefore, make use of substitutes for cash. They use some device which will serve the purpose of transferring cash from one person to another without risking the danger of loss.

*Registered mail.* Let us suppose that you are anxious to send some money to a relative who is on a farm many miles from a bank or a business establishment. You know from past experience that cash is preferred. You also know that it is not safe to send cash. The solution to your problem is a registered letter. Fold the money (bills) carefully inside the letter in which you have mentioned the amount enclosed. Put your return address on the envelope. Take the letter to the post office and have it registered. If you wish proof that your relative has received the letter, you may obtain a return receipt by paying a small additional fee. In this way you may send cash with some feeling of safety. The charge for this service, however, is larger than for some of the other methods available as substitutes for cash payments.

*Postage stamps.* Business people will generally accept postage

*A registered letter means safe delivery.*





stamps as cash in small amounts, less than one dollar. Postage stamps are used in this manner to great advantage because coins are heavy and bulky in an envelope. When enclosed in a letter, postage stamps should be wrapped in waxed paper so that they will not stick.

*Postal money order.* The United States government has provided us with an excellent method of transferring money to other places—even to foreign countries. This method is so widely used that you should become very familiar with the procedure of buying and using *postal money orders*.

You will probably have occasion to buy and use postal money orders whenever you buy anything from out-of-town merchants. Or, your mother may send you for a money order to pay an insurance premium or a household bill.

Postal money orders may be bought at any United States post office, and may be had in any amount up to \$100. You must first fill out an application blank provided for the purpose. This form for transferring money within the United States is known as an “Application for Domestic Money Orders.” The completed application blank is given to the money-order clerk together with the amount of money to be sent plus a small charge for the money order, depending on its size.

Form 6001

POST OFFICE DEPARTMENT  
THIRD ASSISTANT POSTMASTER GENERAL  
DIVISION OF MONEY ORDERS

No. \_\_\_\_\_  
Stamp of Issuing Office

FEE \_\_\_\_\_

The Postmaster  
will insert

here \_\_\_\_\_  
the office drawn on, when the office named  
by the remitter is in Alaska, and does not  
transact money-order business.

Spaces above this line are for the Postmaster's record, to be filled in by him  
**Application for Domestic Money Order**  
Spaces below to be filled in by purchaser, or, if necessary,  
by another person for him

Amount—  
USE FIGURES. DO NOT SPELL. 5 Dollars 50 Cents

To be paid to Harlan Wright  
(Name of person or firm for whom order is payable)

Whose address is 146 Seneca Street  
City and State Racine, Wis.

Sent by Charles Blakes Street  
718 Monroe  
City and State Oswego, N. Y.

PURCHASER MUST SEND ORDER AND COUPON TO PAYEE  
(FOR FEES SEE OTHER SIDE) c5-7155

Money Order		Fee
\$ 0.01 to \$ 2.50	.....	6¢
2.51 to 5.00	.....	8¢
5.01 to 10.00	.....	11¢
10.01 to 20.00	.....	13¢
20.01 to 40.00	.....	15¢
40.01 to 60.00	.....	18¢
60.01 to 80.00	.....	20¢
80.01 to 100.00	.....	22¢

The clerk then gives you the postal money order which he has filled out. It states that the postmaster at the city to which you intend to send it is ordered to pay a certain amount of money to the



person named by you. Your name, as the one making the remittance, is also written on the postal money order. You are given a receipt which you should file until you know definitely that the remittance has been received.

Next, you mail the postal money order in a letter to the person who is to receive the money. That person is known as the *payee* and you are known as the *remitter*. The payee may cash the postal money order at a bank or post office. If he is not known, he is required to identify himself so that both the payee and the post office may be protected against any loss through payment to the wrong person. The payee should not sign, nor indorse, the postal money order until he is at the post office and is about to receive the money. If he should place his name on the back of the postal money order and then lose it, the person finding it might possibly cash it. Money orders should be cashed as soon as they are received in order to avoid any difficulty in collecting the money.

*Express money order.* The express money order is similar to the postal money order and may be purchased conveniently at express offices and at some drug stores which act as agents for the express companies. The express money order may be purchased in any amount. There is no \$100 limit such as is imposed on postal money orders. It also differs from the postal money order in that the sender does not have to fill out an application blank. The fees are slightly higher than those charged for postal money orders.

*Telegraph money order.* You know that when a message must be sent speedily to another city, a telegraph message is sent. Money, too, can be sent by means of the telegraph. Let us imagine that your father has made a trip to the coast, and while there, finds that he needs \$100 quickly in order to make an unusually good purchase. He sends a telegram instructing you to immediately send him a *telegraph money order*. You would then go to the nearest telegraph office, and give the clerk \$100, plus a fee. The local telegraph office telegraphs an order to its office on the coast, directing that the sum of \$100 be paid to your father who, upon identification, will receive the money. Because of the extra expense involved this method of sending payments is not used unless speed is essential.

*Personal check.* The most widely used and most important substitute for cash is the *personal check*. The check is used conveniently for transferring money from one person to another both for business and for personal use. In business, checks are used to pay debts, to pay for merchandise, and sometimes to pay the salaries of employees. Your father may use checks to pay the household expenses such as rent, gas and electric lighting, telephone, coal, and other bills.

A check is a written order to a bank to pay a definite amount of money, on demand, to a certain person or organization. There are three parties to a check: the writer, known as the *drawer*; the receiver, known as the *payee*; and the drawer's bank, called the *drawee*.

If your father should wish to use checks, he would first go to a bank to deposit a certain amount of money in a *checking account*. He is then given a checkbook containing blank checks and is permitted to issue checks up to the amount he has deposited in the bank. Additional deposits may be made from time to time. The checks are issued by filling in the blank spaces, showing the date, the name of the payee, the amount in figures, the amount written in words, and lastly the drawer's signature on the last line of the check. The payee may deposit it to his own checking account, or, if he wishes, he may receive cash for it by writing his name on the back of the check, and by identifying himself.

The use of checks has two outstanding advantages. It is a safe way of sending money because the check may be cashed only after it has been endorsed. That means the payee has written his name on the back. It is also valuable as a receipt, for it is written evidence of payment because of the endorsement.

NO. *24* \$ *9.85*  
*Apr. 21, 1931*  
 TO *F. Hale*  
 FOR *Coal*  
 DOLLARS CENTS  
 BAL BROT FORD *24000*  
 AMT DEPOSITED *7150*  
 " " \_\_\_\_\_  
 TOTAL *31150*  
 AMT THIS CHECK *9 85*  
 BAL CARD FORD *30165*

NEWARK, N.J. *April 21, 1931* - No. *24*  
 LINCOLN NATIONAL BANK 55-584  
 VAILESBURG BRANCH  
 PAY TO THE ORDER OF *Frank Hale* \$ *9.85*  
*Nine & <sup>85</sup>/<sub>100</sub>* DOLLARS  
*James E. Bowen*

*Voucher check.* This is a regular check which, in addition, contains a space or a special section to state the purpose for which the money is paid. Voucher checks are used by large organizations and governmental agencies.

*Certified check.* A certified check is used when the payee wishes to be certain that the drawer has the amount of money ready for him. The drawer, or occasionally the payee, has the check stamped "certified" by the bank. The bank then puts aside the exact amount of the check until the payee presents the check and wants the money. The bank promises to pay the amount of the check.

*Cashier's check.* This is a check drawn by a bank itself and signed by the cashier. Let us suppose that your father has a savings account at the bank and wishes to withdraw \$100 in order to pay the taxes on his home. Since he does not want to carry that amount of cash about him, he requests a cashier's check made payable either to himself or to the city tax collector. Many banks charge a small fee for this service.

*Bank draft.* Quite often, it is necessary to transfer large amounts of money where a personal check would not be acceptable because the receiver wants a check of unquestioned value and one which may be cashed immediately. Suppose that your father wishes to pay a debt to Mr. Creditor who lives in Buffalo. Mr. Creditor has asked for a *bank draft* payable at a bank in Buffalo rather than in your city. Your father goes to his bank and requests a bank draft for the amount necessary. This is really a check drawn by his bank upon another bank in which it has funds on deposit. So your local bank draws upon a bank in Buffalo. The bank draft is made payable to the order of your father. He indorses it to the order of Mr. Creditor who in turn indorses it so that he may receive the money. Bank drafts are used mainly in making remittances from one part of the country to another when a personal check is not acceptable to the payee.

*Drafts.* Suppose, again, that Mr. Debtor in a distant city owes your father \$75 which was due six months ago. Your father has written and written for a payment, but to no avail. He has even telephoned and telegraphed in vain. Before turning the account over to



his lawyer for collection, he decides to make one more peaceful attempt. He draws a *draft* on Mr. Debtor for \$75. What does this mean? Your father writes a simplified form of business letter in which he says that Mr. Debtor promises to pay to the order of your father \$75. Anyone can sit down and tell another person to pay to his order a certain sum of money. This letter or draft on Mr. Debtor therefore, is not worth anything until Mr. Debtor accepts or agrees in writing to meet your father's request. When he accepts, your father can transfer this promise in the same way as a check or note in payment of his own debts. If Mr. Debtor promises to pay your father at once, the draft is called a *sight draft*. If he agrees to pay within a certain period it is known as a *time draft*.

*Certificate of deposit.* A person wishing to deposit a sum of money in a bank for a limited period of time may do so at his bank and receive a *certificate of deposit*. It is usually issued for a period of three months and bears interest. There is no privilege of drawing checks on the deposit. The certificate may be used in payment of debts, however, by indorsing it to another person, who may cash it at the end of the period for which it was issued. Certificates of deposit are not used very frequently because few people know about them. They are used mainly by large organizations for temporary deposits.

*Travelers' checks.* It is not wise to carry large sums of cash when traveling. The money may be lost or stolen. As a precaution against such possibilities it is wise to purchase *travelers' checks*. They are issued by the American Express Company, by tourist companies, by many banks, and may be bought at any bank.

As an applicant for travelers' checks, you would go to a bank or a tourist company where an official is appointed to prepare them. Let us suppose that you need fifteen checks of \$10 each. You must sign each check in the presence of the official who also signs each one. You then pay \$150 plus a small charge for the service. When you wish to use one of the checks, you sign it again before the person who is to receive it. These checks are known wherever people travel and may be used or cashed at banks, hotels, stores, restaurants, automobile service stations, and other places where the traveler might find it necessary to pay for services. The American Express Company,

tourist agency, or bank promises to pay the amount of the check, upon its receipt, if it has been properly signed and transferred.

This is a means of carrying money safely and, since it is also convenient and comparatively inexpensive, those who travel should



make use of it. The checks are placed together in the form of a check-book of convenient size which also contains the following suggestions for the safe use of the checks.

1. Guard these checks as you would your money or other valuables; do not expose them any more than is necessary, even when signing them.
2. Sign the checks in the upper left-hand space at the time of purchase, but do not countersign them in the bottom space until you are actually spending them, and only in the presence of the person cashing them.
3. Carry these checks always on your person, but never in outside pockets; do not leave them unguarded in any place where they may be accessible to others.
4. In case of loss give immediate notice by telegraph, giving amount and numbers of checks lost, where purchased, and other particulars, to the nearest company office or bank.
5. Make a record of the numbers of the checks purchased at the time of purchase so that they can be identified if they are lost or stolen and it becomes necessary to notify the company or bank not to pay them.

4. **Credit.** Perhaps your mother wishes to pay every Saturday for the groceries and other foods she buys during the week. From Sunday through Saturday she is receiving *credit*. The gas, electric, and telephone companies send your father a bill at the end of the month, for the services supplied during the month. They are extending credit. Your father purchases a home and borrows money for this purpose. He is receiving credit. Your father purchases goods for \$500 which he is to pay thirty days after the date of purchase. He is receiving credit. You are receiving credit when you subscribe to your school paper and promise to pay so much a year. What occurs in each of these cases? Instead of paying cash at the time of purchase, it is agreed that the money shall be paid at some future time. When a person borrows, he agrees to repay the money at some future time. One who receives credit creates an *indebtedness* and becomes *indebted* to another. The person selling the goods or lending the money is known as the *creditor*.



**Credit rating.** Some individuals and businessmen do not find it an easy matter to secure credit. When credit is received, a debt is created, and a promise is made to pay at some future time. How good is the person's promise? Those who give credit rely upon the individual's reputation to determine if he is likely to keep his promise. To build up a good reputation, you should always do as promised, pay bills and loans when they are due, manage your business and personal affairs carefully, and treat everyone fairly and honestly. A



person's honesty and reputation for fair-dealing determines to a large extent his ability to receive credit. The *character* of an individual or of a business is the first factor to be considered when credit is requested.

Banks ask a second question when considering the worthiness of a person asking for credit. Does the man's income entitle him to a loan of the amount desired? The answers to these questions determine the ability or *capacity* to pay. This is another credit factor, which considers a man's skill in conducting his job, profession, or business.

But character and capacity are not enough. Conditions change so that even an honest man and one who has skill cannot keep his promise to pay as agreed. Unusual conditions such as illness and bad business periods may prevent the keeping of promises. Therefore, *capital* must be considered, that is, the amount and kind of property a man has which guarantee his ability to pay.

The three credit factors—character, capacity, and capital—determine whether credit should be given. The man who has all three has an excellent credit rating. He will have no difficulty in securing credit as needed. Those who sell goods will want him as a customer. He will be able to buy at the lowest prices. Creditors feel safe in extending credit to him, knowing that payments will be made as agreed.

*Importance of credit.* If credit were not used, business could not have reached its present stage of development. We could not build great factories. We could not have large office buildings. Merchandise could not be bought and sold as it is today in large quantities. Credit enables us to maintain huge business organizations. Businessmen must borrow money in order to carry on a large business and they must receive credit so that they can buy merchandise and equipment whenever needed. They, in turn, must extend credit to customers so that their goods can be sold. As credit increases, business increases and this usually results in more jobs and better wages.

There would be very few homeowners if it were necessary to pay in full for homes at the time they are purchased. The great majority of people do not have enough cash at the time, and they


would never know the happiness of having a home if the time had to be postponed until they had saved the entire amount. And homeownership is important to the country since it contributes toward greater economic security and reliability. The homeowner has greater pride in his community and in his city. He assists his community in carrying on its affairs because he feels more deeply that he is a part of it. He will not do anything to harm the community in which he lives. The number of good citizens increases proportionately with the number of homeowners.

A person who receives credit is receiving a privilege. He should use it carefully and should not abuse it. The one who pays small debts will be able to receive more credit when he needs it.

*Charge accounts.* When your father buys \$500 worth of merchandise on terms 2/10, n/30 it means that he is buying goods on open account. Just what does that mean? The merchant who sells the goods (*creditor*) investigated your father's credit standing or reputation for meeting his obligations. He decided that your father's credit is good for a certain amount. Your father can purchase goods up to this credit limit merely on his oral promise to pay. This is called buying on open account. He buys goods during the month. At the end of the month, a statement is sent to him showing the total amount of indebtedness. Your mother can open a similar charge account at a department store after it has investigated her credit rating. How about the 2/10, n/30 mentioned previously? Your father is given 30 days time in which to pay his bill for \$500. As a special inducement to pay as soon as possible, the seller offers your father a reduction of 2 per cent or \$10 ( $\$500 \times .02 = \$10$ ) if he pays the bill within ten days. In other words, if your father pays his bill twenty days before the due date ( $30 - 10 = 20$ ) he can settle a \$500 obligation with a payment of \$490 ( $\$500 - \$10 = \$490$ ). If on the other hand, your father does not pay the bill within ten days he is not entitled to the 2 per cent discount. He must pay the full or net (n) amount of \$500 within thirty days. The expression 2/10, n/30 means then that he may deduct 2 per cent from his bill if he pays within ten days or, he must pay the net amount in thirty days.

*Promissory note.* Your father purchases goods for \$500 on July 1

and promises to make the payment on September 1. In order that he may have evidence of this promise, the creditor requests that he be given a written promise. This written promise is usually in the form of a *promissory note*. A promissory note is simply a written promise to pay a definite sum of money at a definite time to another person or his order. When a merchant finds that it is not possible or desirable to give cash at the time, he makes arrangements to give a promissory note which states that he promises to pay the amount of indebtedness at some definite time in the future.


 \$ 400.<sup>00</sup> Lima, Ohio, Nov. 1, 19  
 One month AFTER DATE I PROMISE TO PAY  
 TO THE ORDER OF James E. Morris  
 Four hundred & no. DOLLARS  
 PAYABLE AT my office  
 VALUE RECEIVED  
 No 24 DUE Dec. 1, 19- Samuel A. Porter  
Schema 52 TRISTLE BOND

We have seen that there are two parties interested in the promissory note, your father and the seller of the goods. Your father, or debtor, is the writer of the note and is known as the *maker*. The seller, or creditor, is the receiver of the note and is known as the *payee*. There are at least two parties to every promissory note.

A promissory note is usually written in a standard form so that it can be readily recognized. If you examine a completed promissory note you will find that it contains certain facts. It states the city and state where the note is written. The date of the note, and the time the note is to run are included. The words "promise to pay to the order of" and the name of the payee are given. The amount or face of the note written in figures and in words, are essential elements together with the written signature of the maker.

Whenever one promises to pay money at a future date, a promissory note may be given. A bank will request a promissory note for a loan of money. It may be used in any business transaction where one person becomes indebted to another. A promissory note is defi-



nite proof that one person owes money to another person. Because its statement and terms are so definite and because it prevents misunderstanding, the promissory note is an important credit instrument.

The promissory note is a valuable credit instrument for another reason. It may be transferred from one person to another by means of a signature on the back of the note. In this way it may be used in the same manner as the check for the payment of a debt. Suppose that your father holds Mr. Debtor's promissory note for \$500. He owes Mr. Creditor a similar amount. Your father signs his name on the back of Mr. Debtor's note and gives it to Mr. Creditor. When the note falls due, Mr. Debtor gives Mr. Creditor \$500 and receives the note. In this country the set of laws governing the use of checks, promissory notes, and other credit papers is known as the "Uniform Negotiable Instruments Law." It protects the innocent buyers and holders of negotiable instruments which are transferable from person to person by indorsement.

*The installment account.* During recent years people have taken advantage of a method of receiving credit, known as the *installment plan* of buying. There are many things which people could not buy if they had to wait until they accumulated a sufficient amount of money to pay in full. Some of these things are luxuries and some are now considered necessities. Such luxuries and necessities are automobiles, radios, electric refrigerators, furniture, clothing, vacuum cleaners, and household goods of all kinds. When using the installment plan, the purchaser agrees to pay so much down and so much periodically (at regular intervals) until the article is paid for in full. Let us suppose that the purchase price of a radio is \$50. The purchaser may agree to pay \$7.50 down and \$4.25 for ten months ( $\$4.25 \times 10 = \$42.50$ ) ( $\$42.50 + \$7.50 = \$50.00$ ).

Some people find it easy to get the things they want because only small payments are required to secure the articles. But, if a person continues to purchase articles without considering the total weekly or monthly payments, he will soon find that too great a part of his salary is necessary to continue the payments. And if he cannot continue paying as agreed, the article will be taken away or *repossessed* by the seller and the money already paid will be lost.

A person should make provision in his budget for purchases made on the installment plan. If he budgets carefully, he will have the use of things immediately and no harm will result if he stays within his income. The truth of the matter, however, is that many people who really cannot afford certain articles buy them anyway because of the small down payment. Later, if they lose their jobs or become ill, they cannot meet the payments. They then lose the article and all the money paid in. Unfortunately, the people who do the most buying on the installment plan can least afford to lose the money they have spent. Furthermore, \$5.00 down and \$3.00 a week for thirty weeks sounds very inexpensive. But when a person earning a small salary has to pay out so much a week before he even receives his pay envelope, he finds it quite a strain on the pocketbook. Paying money for articles already worn out becomes a burden. Installment buying, therefore, is not always a blessing to the buyer.

*Borrowing money.* People borrow money for various purposes. Wage earners borrow to make a payment on a home, to meet the cost of an illness, or to provide for a college education. Men in business borrow to pay for new equipment, to pay current bills, to be able to extend credit to customers, to take advantage of cash discounts on purchases, and to expand their business.

When money is loaned to an individual or to a business, the lender usually requires some evidence that the money will be repaid to him. He requests something as *security*. One form of security is the written promise or promissory note. If he is in some doubt as to the value of the borrower's promissory note he can ask for an *accommodation endorsement*. This calls for the signature of another person on the back of the note, who guarantees the payment. His signature says to the payee of the note, "If the maker does not pay as agreed, I promise to make the payment." He is an *accommodation endorser*.

Loans are also secured and payment made more certain by a *pledge* of property. When property is pledged the borrower says, "If I do not repay the money I borrowed, then my property, as agreed, is forfeited to you." If a store owner requires additional funds to carry on his business he may borrow money. If the lender demands security or protection, a pledge in writing is given to him in

which the borrower states that if he does not repay the money as agreed, then the lender may demand the property pledged as security.

*Mortgage.* Most people, when buying a home, do not have enough money to pay the full purchase price. It is necessary, then, to borrow the balance. In such cases, the house is usually pledged as security for the payment of the borrowed money. The written pledge which contains the terms upon which the loan is made is called a *mortgage*. The borrower of the money is known as the *mortgagor*. The lender of the money is known as the *mortgagee*. The mortgagor is also required to keep the house in repair, to pay the real-estate tax promptly, and to make interest payments as agreed. Usually, definite payments are required to be made at certain intervals. These intervals may be monthly, quarterly, semiannually, or yearly. In the event that payments and other conditions are not met as agreed, the mortgagee has the right to demand that the property

be sold. Such a sale conducted by the sheriff in accordance with the orders of a court is called a *foreclosure sale*. The mortgagee generally buys the house for the amount that is due him on the mortgage, even if this is below the value.

Today banks will not lend an amount greater than 50 per cent of the value of the house and lot. Therefore, when borrowing from a bank, an individual must be prepared to invest a sum from his own funds equal to 50 per cent of the cost of the house. Mortgages are usually given by banks for a period of years.

The Federal Housing Administration offers an easy-payment plan by which people of moderate means may own their own homes.

## A HOME for the years..



**SECURE...PROTECTED and  
PLANNED for GOOD LIVING**

*Financed through the FHA Plan*

Protections designed to safeguard the owner are part of every home financed through the FHA Insured Mortgage System.

A suitable neighborhood, convenient to schools and shopping centers . . . provision for adequate utilities . . . proper fire and police protection . . . a check on the builder's plans to make sure of a home suited to the family's needs . . . inspection of construction to see that it is sound and according to specifications.

All these protection points are examined when you finance a home with an FHA Insured Mortgage.

Whether you plan to build a new home or buy a home already built—inquire about the new, liberalized FHA Plan. Any institution listed below will be glad to advise you and give you further details.



FEDERAL HOUSING  
ADMINISTRATION  
INSURED MORTGAGE  
SYSTEM



This institution is a part of our Federal government established to assist those persons who wish to become homeowners. Mortgages up to 90 per cent of the value of the house and lot are accepted, so that a person need invest only 10 per cent of the purchase price. The homeowner can make payments monthly over a period of twenty-five years. The interest rate is  $4\frac{1}{2}$  per cent a year. A mortgage of \$4000 can be paid up in twenty-five years with a monthly payment of \$23.25, or seventy-seven cents a day, for principal, interest, and mortgage-insurance premium. When the final payment is made, the home is owned free of all liens (claims) against it.

## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. Money can be anything which passes freely from hand to hand in exchange for goods and services.
2. Many commodities have been used as money at one time or another.
3. These commodities are not used today because they do not have the qualities a good money should possess.
4. Gold and silver satisfy most of the requirements of a good money.
5. Money serves as a medium of exchange and a measure of value.
6. Money in circulation consists of metal money, coins, and paper money.
7. Money which must be accepted in payment of debts is called legal tender.
8. It is essential to be very careful in carrying and handling money.
9. Payments may be made by using money substitutes.
10. Cash should not be mailed unless it is registered.
11. Postage stamps, postal money orders, express money orders, telegraph money orders, checks, and drafts may be used as substitutes for cash payments.
12. Credit is important in the economic world of today.
13. Credit is extended only to those who have satisfactory credit ratings.
14. Promissory notes are important credit instruments.
15. The use of promissory notes and credit instruments is controlled by the "Negotiable Instruments Law."

16. Installment buying has many advantages and disadvantages.
17. When money is borrowed on a house, a mortgage is the security given to the mortgagee by the borrower.

### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-29 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. In your own words, define money.
2. You have heard a certain man referred to as a "numismatist." What does this mean?
3. Tell the class of several incidents from your own experience to illustrate the use of barter.
4. Money is a medium of exchange. Discuss this statement.
5. Give the class several incidents to illustrate how money serves as a medium of exchange.
6. Money is a measure of value. Explain the meaning of this statement, and give several incidents to show that you understand the meaning of it.
7. Distinguish between specie and coin. Give several examples of each.
8. The paper in a silver dollar has very little value. Nevertheless you are perfectly willing to accept it in payment for your services. Why?
9. Give several illustrations of United States currency.
10. A legal tender is a form of tugboat. True or false? Why?
11. When would you have a perfect right in refusing to accept coins in payment of bills? Why?
12. You have been warned that certain precautions are necessary in handling money. Explain some of these precautions.
13. Dramatize before the class exactly how you would count out change in certain specific instances.
14. All bills may be paid in cash. Discuss.
15. Your father warns you not to send cash through the mails when ordering certain items. Why does he issue this warning?
16. Give three illustrations to show when you would use postage stamps in making remittances by mail. Use specific examples from your own personal experience.

17. When, why, and how would you use postal money orders in making remittances by mail?

18. Under what conditions would you use an express money order in preference to a postal money order?

19. Tell the class of three incidents to illustrate the use of telegraph money orders.

20. Who are the parties to a check?

21. Identify: voucher checks, certified checks, cashier's checks, bank drafts, certificates of deposit, traveler's checks.

22. You have heard your brother who works in an office talk about sight drafts and time drafts. What do these terms mean?

23. You are planning to take a long trip and are interested in obtaining information about travelers' checks. Explain how you would obtain travelers' checks and the precautions which are necessary in their use.

24. Credit is a hindrance to business. Discuss this statement.

25. Your mother plans to open a charge account at a local department store. What information will the credit manager ask for before determining your mother's credit standing?

26. Promissory notes are credit instruments used frequently in business. Discuss.

27. You have heard your father talk about  $2/10, n/30$  and  $3/10, n/90$ . Just what do these terms mean?

28. Installment buying helps to make the wheels of industry go around. Do you agree with this statement? Why?

29. Identify: security, collateral, accommodation indorser, pledge, foreclosure, mortgagee, F.H.A.



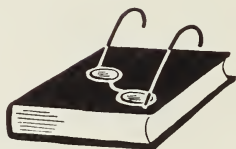
### SPELLING BEE

Who is the best speller of words in this section? The winner of the last Bee should come up to the front of the room to act as Spelling



Master. Select two captains. Make up two teams and then begin. May the best speller win!

accessible	effectively	mortgagor	safeguard
accumulated	foreclosure	neighborhood	sheriff
application	foreign	periodically	similar
certificate	forfeited	personally	simplified
characteristics	fuel	pledge	specifically
collateral	guarantee	preferred	sufficient
commodities	identification	presence	surplus
contention	indefinitely	privilege	transferring
continent	indorse	procedure	unquestioned
current	lien	promissory	voucher
denomination	luxuries	receipt	worthiness
debts	medium	restaurants	wrappers



### THE FIRST OF THE THREE R'S—READING

barter	customer	indebtedness	reflection
bulky	debtor	legal tender	registers
circulation	drafts	negotiable	remittance
countersign	drawee	obvious	specie
creditor	durability	payee	subscribe
currency	hoards	precaution	verify



### THE SECOND OF THE THREE R'S—WRITING

You are learning to write four capital letters in this exercise based on the *oval* exercise. The capital *O* should be closed at the top and finished with a small loop. The capital *A* is also closed at the top and care should be taken to avoid making a loop in the finishing stroke. The loop part

of the capital *C* should be one half the height of the letter. The capital *E* begins with a tick stroke and is written with a small loop in the center before finishing the final loop. The top loop of the *E* is about one third the size of the letter.

Check your posture and position before you write the names of the cities given in this exercise. Did you close every *O* and every *A*?

*O A C E*

- |                     |                     |
|---------------------|---------------------|
| 1. <i>Omaha</i>     | 6. <i>Cambridge</i> |
| 2. <i>Oswego</i>    | 7. <i>Chester</i>   |
| 3. <i>Oakland</i>   | 8. <i>Clinton</i>   |
| 4. <i>Albany</i>    | 9. <i>Easton</i>    |
| 5. <i>Allentown</i> | 10. <i>Evanston</i> |

BUILDING BUSINESS HABITS

Job 1—

- (a) You are curious to determine what commodities have served as money at one time or another. Investigate.
- (b) After completing the investigation in Job 1a, make a list of the items and tell why they are no longer used as money.

Job 2—

- (a) Visit some nearby museum or bank which has a collection of old money.
- (b) Write a report of your visit together with a brief history of money.

Job 3—

- (a) Review the material on money. Prepare a chart showing the functions of money. Set it up in this way.

FUNCTIONS OF MONEY

Function	How It Accomplishes Its Purpose
----------	---------------------------------

- (b) Complete the chart.

Job 4—

- (a) A good medium of exchange must have four qualities.
- (b) List these qualities and illustrate each quality.

Job 5—

- (a) Money is a measure of value.
- (b) Give five illustrations to show how money is a measure of value.

Job 6—

- (a) Review the material on specie and currency in the United States.  
Set up your information in this way.

UNITED STATES MONEY

Money	Description	Advantages	Disadvantages
-------	-------------	------------	---------------

- (b) Complete the chart for all forms of metal and paper money.

Job 7—

- (a) Review the material on legal tender.
- (b) Make a list of the coins and the number of each denomination which are acceptable as legal tender.
- (c) You wish to pay a \$10 bill. Show four ways you can pay the bill, using only legal tender.

Job 8—

- (a) You are naturally interested in guarding whatever cash you have.
- (b) Make a check list of the precautions required in handling cash.
- (c) Rate yourself on how well you observe these cautions.

Job 9—

- (a) Write out the exact procedure you would use in making change in each transaction.

<i>Sale</i>	<i>Amount Received</i>
\$1.68 .....	\$ 2.00
.13 .....	.50
3.21 .....	5.00
6.12 .....	20.00
1.02 .....	10.00

- (b) Complete your work.



**Job 10—**

- (a) Imagine that you are the cashier in a local retail store.
- (b) Determine the kind and number of coin wrappers you will need to deposit.

1450 pennies  
560 nickels  
950 dimes  
320 quarters  
280 half dollars  
140 silver dollars

- (c) Calculate your total deposit.

**Job 11—**

- (a) Review the material on paying bills.
- (b) Set up a chart showing all the methods you can use in paying your bills.

**PAYING BILLS**

Method	Description	Approximate Cost	Advantages	Disadvantages

- (c) Complete the chart.

**Job 12—**

- (a) You wish to send a twenty-dollar bill through the mails to a friend in a distant city.
- (b) List the steps involved and the cost.

**Job 13—**

- (a) Assume that you have decided to remit the money in Job 12 by sending a postal money order.
- (b) Visit your local post office. Obtain the necessary information and forms. Bring several forms to class.
- (c) List the steps involved in paying by postal money order.
- (d) Compare the cost of a postal money order with the cost of using registered mail.
- (e) Give the advantages and disadvantages of using postal money orders.
- (f) How often have you used postal money orders?

**Job 14—**

- (a) Visit a local American Railway Express office or one of its agencies.
- (b) Obtain information about sending express money orders.
- (c) Compare the cost of making the same remittance by registered mail, postal money order and express money order.
- (d) Give the advantages and disadvantages of using express money orders.

**Job 15—**

- (a) Visit your local telegraph office.
- (b) Obtain information about sending telegraph money orders.
- (c) Compare the cost of making the same remittance by all the methods studied.
- (d) Give the advantages and disadvantages of using telegraph money orders.

**Job 16—**

- (a) Set up a chart describing the meaning and use of the following instruments.

Bank Draft  
Cashier's Check  
Certified Check  
Certificate of Deposit  
Traveler's Checks

**Job 17—**

- (a) Your father is interested in your story about the use of sight and time drafts in business.
- (b) For his benefit make a list of the steps involved in the use of drafts.

**Job 18—**

- (a) Visit your local bank.
- (b) Inquire about the procedure and cost of obtaining Traveler's Checks and Letters of Credit.
- (c) Prepare a report on the precautions necessary in using Traveler's Checks.

**Job 19—**

- (a) Review the material on credit.

- (b) In the usual way prepare a chart showing all credit instruments and how they function.

**Job 20—**

- (a) You are interested in building a good credit reputation or rating.
- (b) Make a check list of the factors which determine credit rating.
- (c) Rate some of your friends as credit risks on the basis of this check list.

**Job 21—**

- (a) Resolved : "That credit buying is responsible for economic depression."
- (b) List the arguments on both sides.
- (c) Prepare a three-minute talk on either side.



**Job 22—**

- (a) List the essential parts of a promissory note.
- (b) Write three promissory notes incorporating the parts listed in Job 22a.

**Job 23—**

- (a) Write the explanations for the following terms:

1/10, n/30  
2/10, n/60  
3/10, 1/30, n/60  
4/10, n/90

- (b) Assume that you owe \$100. How much would you pay in each case above if you discounted the bill?

**Job 24—**

- (a) Visit several furniture, department, and electrical stores.
- (b) Obtain actual cash and installment prices on certain selected articles which you are interested in buying.
- (c) Calculate the difference in price on each article.
- (d) List the advantages and disadvantages of installment buying.

# Job 25—

- (a) Set up a chart to show the meaning of the following terms:

security	mortgagor
collateral	F.H.A.
accommodation indorser	mortgagee
pledged property	mortgage
foreclosure	payee

## THE THIRD OF THE THREE R'S—ARITHMETIC

### Situation 1—

- (a) The Treasury Department issued a statement showing the amount of money in circulation at a given date.

Gold Certificates .....	\$ 91,997,769
Silver dollars .....	36,752,135
Silver certificates .....	1,022,409,177
Treasury notes of 1890 .....	1,174,022
Silver coins .....	329,247,154
Other coins .....	140,466,823
Federal Reserve Notes .....	4,154,674,995
Federal Reserve Bank Notes .....	41,451,770
National Bank Notes .....	293,575,313

- (b) Total amount of money in circulation?  
 (c) Total amount of metal money in circulation?  
 (d) Total amount of currency?  
 (e) What per cent of the total amount in circulation is metal money?  
 (f) What per cent is currency?  
 (g) Ratio of silver coins to silver dollars?

### Situation 2—

- (a) A cashier is making up her deposit of the day's cash receipts. She has on hand:

825 pennies  
 655 nickels  
 582 dimes  
 473 quarters  
 395 half dollars  
 27 silver dollars

- (b) How many coin wrappers will she need for each denomination?  
 (c) Total value of her specie?



(d) She also has:

382—one-dollar bills  
68—two-dollar bills  
51—five-dollar bills  
47—ten-dollar bills  
23—twenty-dollar bills

Total currency?

(e) Total deposit?

**Situation 3—**

(a) You are instructed to make change using the fewest coins possible. Complete this table.

**CHANGE**

Transaction	Amount Received	Amount of Change	Coin							
			.01	.05	.10	.25	.50	1.00	5.00	10.00
\$11.68	\$20.00									
8.74	20.00									
2.25	10.00									
.85	10.00									
.12	5.00									
3.58	10.00									
6.97	20.00									
13.74	20.00									
2.01	5.00									
5.03	10.00									

(b) Total and prove all columns.

**Situation 4—**

(a) A receiving teller is given a deposit consisting of:

28 packages of pennies  
23 packages of nickels  
19 packages of dimes  
17 packages of quarters  
15 packages of half dollars  
3 packages of silver dollars  
37 five-dollar bills  
13 twenty-dollar bills

(b) Total of each denomination?

(c) Total deposit?

**Situation 5—**

- (a) Using the rates given in your text book, what would be the cost of the following postal money orders?

Amount of Money Order	Cost of Money Order	Total Amount
\$ 3.86		
19.74		
28.56		
37.82		
55.64		
87.91		
118.52		
212.78		
98.50		
107.84		

- (b) Complete the table.  
 (c) Total value of money orders mailed?  
 (d) Total cost of money orders?  
 (e) Total amount spent?  
 (f) Average money order?



**Situation 6—**

- (a) Your father holds the following notes:

Jan. 18 .....	\$650.00	1 month
Mar. 17 .....	570.00	30 days
Apr. 3 .....	485.00	60 days
Apr. 3 .....	396.00	2 months
May 15 .....	280.00	45 days
June 19 .....	362.00	90 days
June 19 .....	870.00	3 months

- (b) Find the due date on each note.

**Situation 7—**

- (a) Use the notes in Situation 6a.  
 (b) At 6 per cent interest calculate the interest which he will receive on each note.  
 (c) The proceeds (total amount) of each note at maturity.

### Situation 8—

- (a) Your father tells you that he discounted the following bills:

\$ 374.56 .....	1/10, n/30
567.82 .....	2/10, n/60
882.51 .....	3/10, n/90
452.69 .....	5/20, n/120
1,367.45 .....	6/30, n/150

- (b) Total purchases?  
 (c) Net cash paid for each purchase?  
 (d) Total cash discount?  
 (e) Total cash payment?  
 (f) Per cent saved by cash discount?

### Situation 9—

- (a) Your father has been considering the purchase of a home under the Federal Housing Administration. He is told that he can borrow up to 90 per cent of the value of the house. He can repay the loan in 25 years at  $4\frac{1}{2}$  per cent interest. It is estimated that a monthly payment of \$5.81 per thousand would pay his installment on principal, interest on mortgage, and mortgage-insurance premium. He is considering the following houses:

<i>Value of House</i>	<i>Mortgage Accepted</i>
\$8000 .....	75%
7750 .....	80%
6800 .....	85%
6500 .....	85%
6000 .....	90%
5500 .....	90%

- (b) Calculate the cash investment required in each case and the size of the mortgage.  
 (c) Calculate the monthly payments required on each house.  
 (d) In twenty-five years what would be the total payments on the \$6000 house?  
 (e) Assume that your family pays a monthly rental of \$40. How much rent will be paid in 25 years?



Estimated Cost  
Expenses for Board  
Each year  
Tuition  
Board  
Books  
Clothes  
Amusements



## VII

### MAKING YOUR MONEY LAST LONGER THROUGH BUDGETING

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *How can you be certain that your allowance will buy everything you need during the week?*
2. *How can you make your money last longer?*
3. *If your father should ask you to make a budget for your family, just what would you do?*

1. **Budgets.** Have you ever had the experience of feeling wealthy when you had some extra money of your own in your pocket and then were suddenly "broke" in a couple of days? Have you ever treated yourself royally for a day or two and then had to skimp along for the rest of the week without things you actually needed? Have you ever spent so much time on one homework assignment that you had to neglect all the others? Since you are human, your answer to these questions must be "yes." But do not think that you are the only one guilty of such conduct.

On the other hand, have you ever wondered how your city or state officials who collect millions of dollars in taxes make sure that there will be enough money to pay the cost of operating the government during the year? Each week your father receives an income. How can he be sure that he will have enough money to pay all of his bills? Large factories and stores must pay out millions of dollars each year for the cost of running the business. How do they make sure they will have enough money to do so? The answer to all of these questions is the same. They must plan. That is the secret of making both ends meet. Success depends upon correct planning. The grocer

must plan how much money he will take in before he decides how much rent he can pay or how many employees he can hire. The municipal officials must plan how much each department will cost before the bills are sent to the taxpayers. Your father must estimate your family income in order to know whether he can afford a new car this year. Planning in advance is called *budgeting*.

All businessmen make plans although sometimes they do not write them down. All individuals make plans, and they too very often fail to write them down. Perhaps they do not even realize that



they are planning their incomes when they lay aside a certain sum of money each month for the insurance man. But they are. They are actually budgeting. A budget is a plan. It may be a plan of how to spend the summer. It may be a plan of how to spend a day. It may be a plan of how many shoes to manufacture. It may be a plan of how much money to spend. In any case, it is a plan.

We have decided that a budget is a plan. We use it as a guide to our activities. If we wish to budget our expenditures as a regular thing from one year to the next, there must be some provision made so that we can compare our plan with the actual result. A budget would be quite useless if it were frequently wrong. The only way to keep a plan correct and useful is to keep changing the plan of the past to agree with the actual results for which the plan was made. For example, you may plan to save one dollar each week. After a month you may find that it is impossible for you to save more than fifty cents each week. In order for the budget to be useful, you must change your planned

savings to fifty cents each week. This is the first characteristic of a budget. It must make provision for comparing actual results with planned results. A second characteristic is that the budget must never become too difficult to keep. It must be very simple for you to understand and operate. A third characteristic of the budget is that it must be built only after a study of your needs. If you know that you must spend one dollar each week for carfare, it would be foolish for you to plan to spend fifty cents. You actually need one dollar, therefore plan to spend one dollar. Study your needs before you plan to meet them for the future. A fourth characteristic is that your budget must never rule you. You must rule it. Budgeting is really a great deal of fun if you go about it in the right way. Make your plans and stick to them. If your planning is efficient, that is, if you have estimated correctly, you will have money for many things you enjoy because you will not be spending money on the things which are not necessary. If, however, you find that the budget estimate is wrong, do not be a slave to it—change it.

Why keep a budget? There are many personal advantages to be gained from budgeting. By studying the way you spend your money, you will find that you are probably spending money on many unimportant and unnecessary things. By planning your expenditures, you will eliminate this wasteful spending. By eliminating wasteful spending, you will have more money with which to buy the things you really want. Another advantage is that keeping a budget will train you to do things systematically and with regularity. The habit of keeping a budget is very valuable to you because of the training it gives you. You will find this habit useful all through your life. Employers often ask prospective employees if they keep a budget, because it is some indication of the type of person who is applying for a job. It is a good habit, so try to develop it. Another advantage of keeping a budget is that it trains you to be neat. You must keep your records from one month to the next, and because you must refer to them constantly, it is necessary for you to write clearly and distinctly. This is good training. If you learn to keep a budget while you are in school, you will be able to keep one for your family. It sounds like a good idea, does it not?

2. **Budgeting Your Time.** Each day you have twenty-four hours to spend. How do you spend them? Are there things at the end of the day which you should have done, but for which there was not enough time? How often have you sat on the edge of your bed in the evening and recalled things which should have been done during the day? This happens to everyone who does not plan his day. A time budget will help you to spend your time more profitably.



You know that in order to get the most out of your schooling, you must spend as much time as possible on your studies. This gives you a splendid opportunity to experiment with a time budget. Let us assume that you have three hours to devote to homework each day and that you have four subjects which need preparation for the next day. This means that you should spend three quarters of an hour on each subject. An intelligent student will keep to this schedule. A student who does not plan his work may spend too much time on history because he likes it, and he may not have enough time left for his English. As a result, his work will suffer. Of course, every high-school student must have recreation and fun. This is just as important as studying. But it is not more important. For that reason, you must plan to have time for play and relaxation each day. The student who budgets his time will plan his activities so that he has time for every-



thing. The student who does not budget his time may like recreation so much that he will neglect his homework. Or he may like studying so much that he will neglect his fun. One is just as bad as the other, and both result in one-sided individuals—students who are not properly developed. A typical time budget for a high-school student is given in order to give you an idea of how successful students plan their time.

### *Time Budget for Six Days*

*24 hours × 6 days = 144 hours*

*Divided as follows:*

*8 hours × 6 = 48 hours, sleep*

*6 hours × 5 = 30 hours, school*

*3 hours × 6 = 18 hours, meals etc.*

*2 hours × 6 = 12 hours, recreation*

*2 hours × 5 = 10 hours, study*

*3 hours × 6 = 18 hours, work*

*1½ hours × 6 = 9 hours, miscellaneous*

*Total 144 hours*

Of course, this timetable may vary from one student to the next, or even from one day to the next for the same student, but it illustrates the idea of the time budget. How about making up a time budget of your own? Try it. You may find it lots of fun.

3. **Personal Budget.** After you have budgeted your time, try budgeting your allowance. A personal budget is your plan of income and expenditures. Suppose you have a weekly allowance. You can make a personal budget by listing all the expenses you expect to have for the week. Let us see what expenses there would be: lunch, carfare, recreation, savings, and school supplies, perhaps. The most efficient way to prepare a budget is first to collect records of all of your costs for a week. On the basis of your experience in the past, you can very easily determine just how much money you will need to carry you through the week. If you have not kept records of

expenditures, you will have to estimate the week's expenses. The table below shows you a sample budget used by a high-school student. Notice that there is provision made for estimating the income and expenditures in each classification. At the end of the week, you add up the columns and compare the totals of the actual amounts with the plan. If there should be any difference, it will be necessary for you to make an adjustment.

	Income			Expenses						
	Allow- ance	Earned Income	Total Income	Lunch	Carsfare	Recre- ation	Savings	Supplies	Total Expenses	
Estimated	2.00	.60	2.60	1.00	.50	.50	.50	.10	2.60	
Jan. 3	2 00		2 00	20	10				30	
4 Mowed Lawn		30	30	20	10			10	40	
5				20	10	10			40	
6 Mowed Lawn		50	50	25	10				35	
7				25	10			10	45	
8						25	50		75	
9							10		10	
Week Total	2 00	80	2 80	1 10	50	35	60	20	2 75	
Estimated	2 00	60	2 60	1 00	50	50	50	10	2 60	
Bal. on Hand	05		05							

Notice that after the operation of the budget for the week, there is a difference between the actual and the planned figures. Observe that the five-cent balance between what is received during the week and what is spent is added in as income for the following week, and gives you five cents extra in that week's budget.

Suppose you leave school and get a job. How would you budget your income? The divisions of the budget usually are: salary, other income, food, shelter, clothing, savings, recreation, charity, educa-

tion. For a young person earning \$15 each week, and one earning \$25 each week, the following distributions of income are suggested:

		\$15 Income		\$25 Income	
Board	{ Food .....	\$ 6.00	40 %	\$ 8.00	32 %
	{ Shelter (Room) .....	4.00	26 $\frac{2}{3}$	6.00	24
	Clothing .....	2.00	13 $\frac{1}{3}$	5.00	20
	Savings .....	1.00	6 $\frac{2}{3}$	2.50	10
	Recreation .....	1.00	6 $\frac{2}{3}$	2.00	8
	Charity .....	.50	3 $\frac{1}{3}$	.75	3
	Education .....	.50	3 $\frac{1}{3}$	.75	3
		\$15.00	100 %	\$25.00	100 %

*Food* includes the cost of meals, candy or ice cream.

*Shelter* includes the cost of the room, which in many cases may be included with food, and called *board*.

*Clothing* should include all costs of buying wearing apparel.

*Savings* must always be provided for, and they include any form of investment which a young employee might make.

*Recreation* covers all forms of entertainment.

*Charity* covers gifts to church and charitable enterprises.

*Education* includes tuition, books, magazines, and newspapers.

**4. Family Budgets.** A budget should certainly help your family to make the most of the income available. It is vitally important that money go as far as possible. A family budget usually includes:

*Food:* Groceries, vegetables, meat, fish, dairy products, baked goods, ice cream, candy, and soft drinks are in this group.

*Shelter:* Rent, interest on mortgages, taxes on property, fire insurance, repairs to the house, repairs to the garage are the most common items in this classification.

*Clothing:* All clothes purchased, laundry, repairs to clothing, tailor bills are the most common expenses in this classification.

*Household Expenses:* Gas, electricity, water, fuel, ice, carfare, allowances, furniture, and furnishings are in this group.

*Savings:* Savings account, Christmas Club, life insurance, stocks, bonds, building and loan payments are included here.

O. D. Porter

# Record of Income

Date	Explanation	Cash Receipts		Cash Payments		FOOD		HOME
19-								
	Estimated	12500				31	25	30
Jan 1	Balance \$146.45							
2		6250		3860		3	60	22
4				291		1	28	
6				141			10	
8				598		1	45	
9				55			20	
11				821		2	21	
12				350				
14				61				
15		6250		50				
17				830		3	27	
18				20				
19				580				
21				323				
23				1129		2	29	
24				301		1	96	
25				340				
27				620		2	82	
28				33				
29				337		2	02	
30				50				
31				135				
		12500		10925		21	20	22



# and Expenditures

Distribution of Payments

HOUSEHOLD EXPENSE	CLOTHING	SAVINGS	TRANSPORTATION	RECREATION	HEALTH	EDUCATION	CHARITY	MISCELLANEOUS
15 00	17 50	10 00	7 50	5 00	3 75	2 50	1 25	1 25
50		11 00		1 20		30		
65			98					
55	50				26			
50			3 60			08		35
					35			
6 00								
	3 50							
28						33		
50								
1 18					2 35	1 50		
							20	
	5 80							
2 50						33		40
50	6 75		1 75					
1 05								
2 65					75			
1 53				1 85				
						33		
1 35								
	50							
60			75					
20 34	17 05	11 00	7 08	3 05	3 71	2 87	20	75

*Automobile:* Fuel, tires, accessories, garage rent, licenses, insurance, and service are all included as part of the expense.

*Recreation:* Theater, concerts, movies, travel, hobbies, tobacco, entertainment expenses, lodge dues are all recreation.

*Health:* Doctor, nurse, pharmacy supplies, dentist, barber, hairdresser are usually included as health expenses. They may be very heavy during winter months.

*Education:* School tuition, books, instruction, stationery, magazines, and newspapers may be included in this classification.

*Charity:* Community-chest, donations, church, Sunday School, are usually listed under this heading.

You must realize that this list and this grouping are not always followed. The important thing for you to remember is that these expenses are always present, and they must therefore be provided for in the family budget.

If your family income is about \$20 a week, how should it be budgeted to provide for your parents and their two children?

Food .....	\$ 7.00	35%
Shelter .....	6.00	30
Clothing .....	3.00	15
Household Expenses .....	1.40	7
Savings .....	1.00	5
Recreation .....	.60	3
Health .....	.40	2
Education .....	.40	2
Charity .....	.20	1
	<hr/>	<hr/>
	\$20.00	100%

Because of the low income in this table, you can see how important it is that a budget be kept if all of life's necessities are to be provided for. The man with the low income must keep a budget so as to be sure that his money will go around. The man with a large income should keep a budget because of the large sums involved. He may be inclined to spend his money carelessly because he has a good income.

A budget for a family of five with an income of \$30 a week would provide for the following expenditures:

Food .....	\$ 9.00	30%
Shelter .....	7.50	25
Clothing .....	5.40	18
Household Expenses .....	2.10	7
Savings .....	1.80	6
Automobile .....	1.20	4
Recreation .....	1.20	4
Health .....	.90	3
Education .....	.60	2
Charity .....	.30	1
	<hr/>	<hr/>
	\$30.00	100%

Difficulty is sometimes experienced in setting up the budget form. For this reason a suggested form is presented below. It may be ruled on plain white paper, and entries may be made each evening for the day's expenditures. It takes but a few moments care once it has been started. Try it. You will see for yourself how simple it is.



In order that you may better understand the organization of the budget, a sample is provided. The following is a record of the financial transactions of Mr. and Mrs. A. M. Budgeting and their family of three children, one of whom is working.

*Monday, June 3*

Bought groceries .....	\$ 1.50
Paid the butcher bill .....	.70
Paid the rent (for month) .....	30.00
Bought a tie .....	.50
	<hr/>

*Tuesday, June 4*

Bought gasoline .....	.75
Bought a broom .....	.40
	<hr/>

<i>Wednesday, June 5</i>	
Bought groceries (food) .....	.75
Bought vegetables .....	.21
Joseph had his hair cut .....	.35
Mr. Budgeting's salary .....	20.00
Helen paid her board .....	10.00

---

<i>Thursday, June 6</i>	
Bought groceries .....	1.50
Bought shoes for James .....	4.00
Bought a magazine .....	.10

---

<i>Friday, June 7</i>	
Paid the baker's bill .....	1.65
Bought groceries .....	1.02
Bought laundry soap .....	.10

---

<i>Saturday, June 8</i>	
Made a deposit .....	2.00
Bought furniture polish .....	.25
Children's allowance .....	2.00
Movies .....	1.00
Newspaper bill .....	.18
Groceries .....	1.10

---

<i>Sunday, June 9</i>	
Sunday paper .....	.10
Church contribution .....	.25
Candy .....	.50

---

<i>Monday, June 10</i>	
Bought vegetables .....	.50
Paid insurance premium .....	2.50
Bought groceries .....	2.10

---

<i>Tuesday, June 11</i>	
Paid the butcher .....	1.50
Bought a magazine .....	.50
James had his hair cut .....	.35
Bought an electric light bulb .....	.20

---



*Wednesday, June 12*

Bought groceries .....	.95
Gasoline for car .....	.70
Bought two shirts .....	2.00
Tobacco .....	.10

---

*Thursday, June 13*

Paid the fish bill .....	1.15
Bought laundry supplies .....	.25
Bought groceries .....	.78

---

*Friday, June 14*

Paid the baker's bill .....	1.50
Bought groceries .....	.95

---

*Saturday, June 15*

Bought groceries .....	1.75
Children's allowances .....	2.00
Movies .....	1.10
Newspaper bill .....	.18
Made a deposit .....	2.00

---

*Sunday, June 16*

Church contribution .....	.25
Sunday paper .....	.10
Bought ice cream .....	.60

Do you understand how these expenditures were recorded on the budget sheet and how the budget operates? Take a few moments to trace back these figures and satisfy your curiosity.

5. **Personal Records of Income and Expenditures.** You have seen how a budget operates. You have observed that a budget helps the individual and the homemaker to live within their incomes and to get the greatest enjoyment out of their money. How is the budget kept? What aids does the budget-maker use to keep an accurate account of his earnings and his expenditures? The answer is, he must keep records. It is useless to have a budget if the entries are not absolutely correct. What advantage is there to making a plan if you have



no way of knowing whether or not you are keeping within your plan? For this reason, you must have a system for keeping a record of your income and your expenditures.

*Memoranda.* The most important type of record used is a simple memorandum book. When you pay five cents for carfare, you do not get a receipt which you can use as a guide in making your entries in the budget at the end of the day. Instead, you make

a notation some place at the time you spend the money. By keeping all of these notations together in one place, it is easy to record your expenditures at the end of the day by referring to your memorandum book. (The word memoranda, incidentally, is the plural of the word memorandum.) Any small notebook will be satisfactory for this purpose. Just record the date, the reason for the expenditure, and the amount. When you get home at the end of the day, add up all of the day's expenditures, and record them under the proper headings in your budget.

It is important for you to remember that the records are really not a part of the budget. The budget is the plan. The records are the sources of information which you use to see if you are spending or earning as much as you planned. For this reason, although the records are not a part of the budget, they are just as essential to the proper operation of a budget as the plan itself. Your memorandum book can also be used as a diary to record the important events of each day.

*Two-column cash record.* Some people prefer to keep a more detailed record of their expenditures and income than the entries in a memorandum book. In that event they use a specially ruled book in which there is space for the amount of money paid out, and the amount of money received. This form is called a *two-column cash record*.

## Cash Record

Date	Explanation	Cash Receipts	Cash Payments
June 1 <sup>19-</sup>	Balance of cash on hand	\$ 87 85	
1	Rent for June		4 500
2	Vegetables		1 60
3	Groceries		3 75
4	Meat		2 10
5	Electric bill		3 00
6	Clothing		6 50
6	Week's salary	35 00	
7	Church collection		1 00
8	Groceries		4 08
9	Fruit & vegetables		1 50
12	Milk bill		3 15
13	Week's salary	35 00	
15	Insurance premium		20 00
17	Groceries		2 93
19	Shoes		3 50
20	Week's salary	35 00	
22	Household supplies		13 75
27	F. H. A. payment		30 00
27	Week's salary	35 00	
30	Balance of cash on hand	227 85	85 99
July 1	Balance of cash on hand	85 99	

**Receipts.** In many cases, when you make a cash payment, the storekeeper will give you a receipt showing you the exact amount and the details of the purchase. Now you have two records from which you can determine how much you have spent during the day—the memorandum book, in which you have listed the small cash purchases of the day, for which you received no receipt, and the receipts which were given to you at the time of most of your cash purchases. Let us consider an example. Suppose you leave for school in the morning, and you take the bus. This costs you five cents so you make an entry in your memorandum book, "September 18, bus to school, \$.05." At noon your lunch costs you twenty cents. In your memorandum book, you make a notation, "lunch, \$.20." You pay fifty cents for a year's subscription to the school paper. In this case, the agent will give you a receipt for your money. At the end of

the day, when you examine your records, you find that you have twenty-five cents recorded in your notebook, and fifty cents accounted for by a receipt from the school paper. Making the exact entry in your budget for the expenditures of the day is now a simple matter. It may sometimes be a very wise plan to count your money at the beginning of the day, and make a notation of the amount in your memorandum book. At the end of the day, count your money again. If you have kept your records accurately, the amount on hand at the end of the day, when added to the expenditures in your memorandum book, and those represented by your receipts should equal the amount you had when you left for school in the morning. This is a good test of your record-keeping ability. Check and double check to prevent errors.



## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. Wise planning is necessary in order to succeed.
2. Before you plan your income and expenditures, you must first keep records of your past experience. On the basis of these records, your plans are made.
3. In order to be certain that proper amounts are recorded, you must keep records of the expenditures each day.
4. Set aside a regular time of the day, preferably in the evening, when you enter the day's expenses and income. Stick to this schedule every day, and it will become a habit.
5. Make provision in your budget for changing the estimates when such change appears necessary. Revision is important to correct budget-keeping.
6. You have a limited amount of time. Plan to spend it wisely.
7. Family budgets help to "make ends meet."
8. Budgets vary from person to person and family to family. They may also vary from month to month and year to year.
9. A budget is your servant and not your master.



10. Personal records supply the information for construction of budgets.

11. Your money will last longer if you budget it and keep accurate records.



## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-11 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the questions corresponding to the number on the slip.

1. Have you ever felt a need for budgeting? When? Why?

2. A budget is a report prepared by a government organization. Discuss.

3. You are asked to describe the characteristics of a good personal budget.

4. Your father is interested in your budget work and asks you to tell him the steps required in making a budget.

5. Making a time budget uses up more time than it saves. True or false? Why?

6. A person with a small income does not have enough money to budget. A person with a large income does not need a budget. Discuss.

7. In a family budget, what items are included under Household Expenses? Health? Education?

8. Personal records are needed in addition to a budget. Recommend some personal records a friend of yours can use to check his budget estimates.

9. How does a budget for a young worker compare with that of a high-school student?

10. How do you account for the fact that percentages in the budget for the man making \$20 a week differ from those of the man making \$30?

11. Do you agree with the percentages given in the text for a family budget? What changes would you make? Why?

## SPELLING BEE

Who is the best speller of words in this section? The winner of the last Bee should come up to the front of the room to act as Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

activities	experience	notation	subscription
allowance	guilty	officials	successful
carelessly	hobbies	pharmacy	systematically
curiosity	household	provide	tailor
detailed	illustrates	prospective	taxes
develop	incidentally	reasonable	taxpayers
diary	laundry	recalled	theater
distributions	licenses	receive	typical
edge	memorandum	referring	unnecessary
efficient	mortgages	royally	vary
electricity	necessities	schedule	vegetables
employers	neglect	stationary	wealthy

### THE FIRST OF THREE R'S—READING

accessories	classification	fuel	receipt
adjustment	comparing	inclined	recreation
apparel	eliminate	memoranda	revision
assignment	employees	municipal	stationery
budget	estimate	planning	subscription
characteristic	expenditures	provision	tuition

### THE SECOND OF THE THREE R'S—WRITING

The capitals *M* and *N* are very similar, both beginning with a narrow loop stroke about one third the height of the letter. Care should be taken with the slant and the spacing of the over loops.

The capitals *S* and *G* are very similar both having the same initial stroke. The loop of each letter should be one half the height of the letter. In words, these capitals are usually joined to the letters that follow them.

As you write these letters and words do you feel the nails of the third and fourth fingers gliding over the paper? Can you spell correctly and locate the cities given in this exercise? How many other cities do you know beginning with the same letters?

M N S G

- |            |                  |
|------------|------------------|
| 1. Madison | 6. Saratoga      |
| 2. Marion  | 7. San Francisco |
| 3. Medford | 8. Seattle       |
| 4. Newark  | 9. Greenwich     |
| 5. Norwood | 10. Greenville   |

## BUILDING BUSINESS HABITS

### Job 1—

- You have been hired as an expert to suggest items which can be planned in advance.
- Think of all the arrangements in your home which can be planned or budgeted in advance. Make a list of these items.
- Do the same for your school.
- Do the same for your community.

### Job 2—

- Review the characteristics of a budget.
- Set up a chart to show the information in this way.

## BUDGETS

Characteristics	Explanation

- Complete the chart.

### Job 3—

- You are asked to defend the practice of spending valuable time in making and keeping budgets.
- List the arguments on both sides of the question.

### Job 4—

- A friend asks you to give him instructions on how to prepare a budget.
- For your friend's benefit list the steps required in constructing a money budget.

Job 5—

- (a) You have decided to make good use of your time.
- (b) Prepare a time budget for a whole week in advance.
- (c) Keep a record of how you actually spend your time during the next week.
- (d) Compare your budget estimates with the actual records at the end of the week.

Job 6—

- (a) The idea of making a personal budget appeals to you.
- (b) Plan a personal budget for the next week.
- (c) Use a memorandum book, receipts, and a two-column cash record for your actual income and expenditures during the next week.
- (d) Compare your cash records with your budget estimates at the end of the week.



Job 7—

- (a) Determine the approximate income of your family.
- (b) Using the figures for model budgets in your text, construct a family budget.
- (c) Discuss the budget with your father or mother.
- (d) Keep a record of your family income and expenditures for one week, using the personal records described in your text.
- (e) Compare the actual figures with the budget estimates.



**Job 8—**

- (a) Refer to the *Two-Column Cash Record* used in Job 6c.
- (b) Balance the cash record at the end of the week.
- (c) Continue the cash record for a second week.
- (d) Balance the record at the end of the second week.

**Job 9—**

- (a) Review the material on family budgets.
- (b) Make a list of the items which would come under each division in your family budget. That is, what items would be included under shelter in your family budget?



**THE THIRD OF THE THREE R'S—ARITHMETIC**

**Situation 1—**

- (a) Refer to the model time budget on page 183.
- (b) Calculate the hours spent each school-day in dressing, eating, school, recreation, homework, and sleep.
- (c) Compute the time spent on each item during a school week.
- (d) Time spent during a school year of forty weeks?

**Situation 2—**

- (a) Using the figures in your text showing the amount spent each day by the Budgeting family on pages 189-191, calculate the average daily expenditure.
- (b) Compute the monthly income and expenditures.
- (c) Compute the annual income and expenditures.

**Situation 3—**

- (a) Use the percentages given in your text for a weekly income of \$15.
- (b) Assume that your brother earns \$18 a week. How much would he allow for each item?

**Situation 4—**

- (a) Use the percentages given in Situation 3a.
- (b) Calculate the budget figures for a weekly income of \$12.

**Situation 5—**

- (a) Use the percentages given in your text for an individual earning \$25 a week.
- (b) Compute the allowance for each item on an income of \$20 a week.

**Situation 6—**

- (a) Use the same figures as in Situation 5a.
- (b) Compute the allowances in a budget of a \$28 salary.

**Situation 7—**

- (a) Refer to the personal budget of a high-school student on page 184 of your text.
- (b) Calculate the per cent spent on each classification.
- (c) On the basis of a forty-week school year, how much will this student receive and spend during the school year?
- (d) Using the percentages obtained in Situation 7b, calculate the amount spent on each classification during a school year.



**Situation 8—**

- (a) Assume that your family income is \$25 a week.
- (b) Using the figures given for a \$20 family income, calculate the amounts to be spent by your family on each classification.

**Situation 9—**

- (a) Assume that your family is more fortunate than in Situation 8 and has \$40 a week at its disposal.
- (b) Using the figures for a \$30 family income, calculate the amounts to be spent on each classification.

**Situation 10—**

- (a) Refer to the Budgeting family's records on pages 185-191.
- (b) Calculate the per cent of the total income spent on each item during the first week.
- (c) Do the same for the second week.
- (d) What is the average per cent of income spent on each item every week?

Situation 11—

- (a) Your mother sends you to the store with a five-dollar bill. You buy the following items:

3  $\frac{1}{4}$  lbs. of lamb @ 23¢ lb.  
5  $\frac{1}{8}$  lbs. of smoked ham @ 21¢ lb.  
1  $\frac{1}{2}$  lbs. of butter @ 27¢ lb.  
1 can of sweet corn @ 3 for 17¢  
3 bars of soap @ 6 for 25¢  
3 cans grapefruit juice @ 4 for 23¢  
3 boxes of rice flakes @ 2 for 21¢  
9 cans of soup @ 3 for 19¢  
7 cans of beans @ 6 for 29¢  
5 lbs. of sugar @ 6¢ lb.

- (b) Total purchases?  
(c) Amount of change?  
(d) What per cent of the five-dollar bill was spent?  
(e) If you spend a similar amount twice a week, what is the monthly cost of groceries?





## VIII

### MAKING YOUR MONEY LAST LONGER THROUGH WISE BUYING

**STOP! THINK!** *Can you answer these questions before reading this chapter?*

1. *How much does your family spend each week for food, clothing, rent, and household expenses?*

2. *Is every cent of this money spent wisely? Do you get your money's worth?*

3. *Where can you get information about "that bicycle" you expect to buy?*

#### PART ONE: WISE BUYING

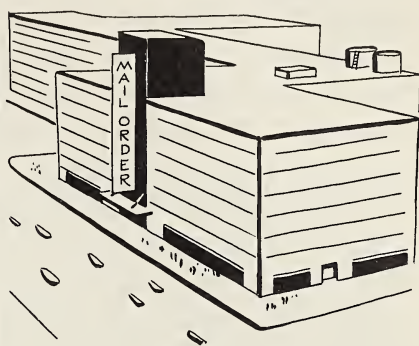
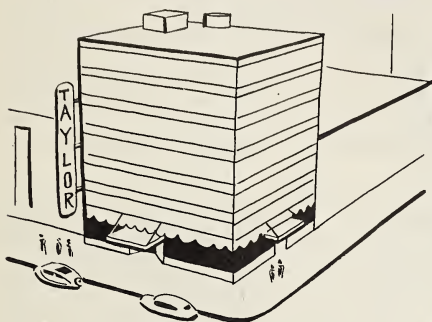
1. **Importance of Wise Buying.** How about the first question? Do you know how much your family spends on food, clothing, rent, and household expenses? As a co-operative member of your family, you should know. Let us assume that you have found out that your family spends \$15 or \$20 a week for household items. Do you realize that \$20 a week amounts to \$1040 a year ( $\$20 \times 52 \text{ weeks} = \$1040$ )? In ten years, \$1040 a year spent for these items amounts to \$10,400 ( $\$1040 \times 10 \text{ years} = \$10,400$ ). You may ask, "Well, why bring up all this arithmetic—what does it mean to me?" The point we are driving at is, that if your family, by wise buying, should save only a nickel on every dollar which it spends, in the course of ten years this would amount to a saving of \$520 ( $\frac{.05}{1.00} = 5\%$ .  $\$10,400 \times 5\% = \$520$ ). You will agree that \$520 is a large sum of money. Just think of how many things your family could buy right now, if it had saved the \$520 by economical buying during the past ten years.

If this point does not convince you that it is important to buy

wisely, let us look at it from another angle. You expect to finish school and obtain a job, some day soon. Suppose that by the time you reach the age of twenty-one you will be earning \$25 a week, or \$1300 a year ( $\$25 \times 52 \text{ weeks} = \$1300$ ). That does not sound like a very large salary. Do you realize, however, that if you should work for the same salary of \$25 a week from the time you are twenty-one until you reach the age of sixty, your total income will amount to \$50,700 ( $\$1300 \times 39 \text{ years} = \$50,700$ ). So you see that even at a low salary, during the course of your lifetime, you will spend a great deal of money. If you spend this money wisely, you will be able to afford many little luxuries which you otherwise would have to do without.

**2. Deciding What You Need.** The first step is to decide what you are going to buy. Ask yourself very carefully, "Do I really need this hat or this pair of shoes? Do I know exactly what I want? Do I want a pair of shoes for school wear or do I want a pair for dress?" It makes a difference, you know, whether you are going to buy one kind or the other. Are you really sure that you need these shoes now, or can you possibly get along until next season and then buy a different type? Have you carefully thought over your decision to buy, or did it just come to you on the spur of the moment? Do you have a rather good picture in your mind of what you expect to buy, or are you going to walk all around town just "window shopping"?

**3. How Much Do You Expect to Spend for It?** We will take it for granted that you have really decided to buy a certain article. Have you given the matter of price a thought at all? How much can you afford to spend for the shoes or the hat? If you expect to buy a pair of shoes for \$3.00 you may have to look in a different place than if you were buying a pair for \$6.00. If you can afford to spend only \$3.00 you will have to be satisfied with a different type of shoe than if you were spending a larger amount. It may be better to look for a well-built, serviceable shoe than to try to get a dressy shoe which will naturally have to be of poorer workmanship at that price. On the other hand, if you spend too much for your shoes, you may not have enough left to pay for the hat or bag. Perhaps, it may be wiser to buy a better shoe and spend a little less for the hat or bag.



4. **Where Can You Buy It?** So far then, we have two points settled. You are going to buy something, and you know how much you are going to pay for it. The next question is where you can buy this article. This means that you are going to start shopping around to find exactly the thing you want, at the price you can afford to pay. For some things you may find that your neighborhood store is the place to shop. This is especially true if the store is reliable, if it carries a good quality of merchandise, and if you have always been satisfied with your purchases there. It is true that you may have to pay a little bit more in this neighborhood store for some things, but if you want the convenience and the service which this store offers, it may be worth your while to shop there.

For other things you may find it better to look in specialty shops which sell only one line of merchandise, as for example, hats or shoes. In these shops, you will find a better selection and a wider range of prices.

It may be necessary for you to look around in a department store

for some things. There you will find even a larger selection of articles and more displays to help you locate the thing you are anxious to buy.

If you are in the market for food, you may go to the chain stores and the super-markets. Here again you will find a large selection of goods, attractively arranged, and usually low priced. You may have to pay cash for the things you buy in these stores and carry them home yourself, but the savings may be well worth the extra effort.

In selecting the shop where you expect to buy, you should remember that it is wise to deal with merchants who have been in business for some time and who expect to remain at the same location. You should be suspicious of stores which carry large signs saying, "Going Out of Business," "We Tried and Failed," "Clearance Sale," "Fire Sale," "Closing-Out Sale," "Bankrupt Sale." Bargains sometimes turn out to be very costly.

**5. Looking for What You Want.** Now that you have decided what you need, how much you expect to spend, and the store in which you will buy, just imagine that you are in that store, looking around. The sales clerk approaches and asks whether he can be of any assistance to you. Instead of telling him vaguely that you are just looking around, you should be able to tell him exactly what you have in mind and ask him for specific information about that article.

The sales clerk now brings over several samples to show you. Look at the labels carefully for the description of the product. If it is a reliable article, the label should tell a good deal about the material of which it is made, manufacture, color, and size. If it is not labeled in this way, be sure to ask the salesperson about these details. As a matter of fact, do not depend on the label for size, even if the size is given. If it is a ready-to-wear garment which can be tried on, your best proof of correct size is to see whether it fits properly. Assuming that the garment fits correctly, find out whether it is washable and serviceable for the purpose you have in mind. Even if you are not buying garments to wear, you might still ask questions of the same type.

In looking for the merchandise you want, do not depend too much on advertising. A nationally advertised product should be of the best quality. Otherwise, it probably would not have become





popular enough to sell from coast to coast. Unfortunately, however, some manufacturers of such nationally advertised products have taken advantage of this situation and have spent more on advertising than on their products. You must, therefore, become a skilled shopper and select goods on the basis of quality rather than brand name.

The same thing is true of grades of merchandise. You know that you can buy a dozen different grades of canned goods, ranging all the way from extra-fine to very poor. Until such time as each manufacturer will be compelled by the government to mark in simple language the exact grade and contents on each container, you will have to be on guard against poor quality and short weight. Make sure that if you need a twelve-ounce bottle you get a twelve-ounce bottle instead of one which looks the size you want but actually contains much less. *Read labels carefully.*

In addition, keep your wits about you when shopping. If one can of soup is marked 10¢, and the sign reads "3 for 25¢" your mental arithmetic should work quickly enough to recognize a deal. Thus you can see that on a purchase of 25¢ you save 5¢, which, from your arithmetic, you know, amounts to a saving of 20 per cent.  $\left(\frac{5¢}{25¢} = \frac{1}{5} = 20\%\right)$  A saving of 20 per cent means that on every dollar you spend you are saving 20¢. At this rate it will not take long for your family to save that \$520 we talked about some time ago.

Although you have followed all of the instructions up to this point, you are not quite ready to make the purchase. If you have an opportunity to compare the article with others in this store or in other stores, by all means do so. Ask the clerk whether it is guaranteed. If he says it is, find out exactly what the guarantee includes. Do not buy simply for the sake of buying. Buy because you are convinced that you have found the best selection for your purpose and your purse.

**6. General Information.** You are now almost ready to tell the clerk to wrap your purchase. You have, of course, checked the price and have found it to be within your plan and means. An important point to remember in this connection is that no one gives "something for nothing." Occasionally, you may come across a real bargain opportunity. Generally, however, you get exactly what you pay for. Remember this advice when someone tells you, "I can get it for you wholesale." If a merchant sells to the retail trade, he cannot afford to meet wholesale prices and stay in business very long. He can lose money for a little while, but he cannot go on losing money forever and still remain in business.

Unless you are fully acquainted with the product and recognize good value when you see it, do not take a chance in buying at auction sales or bargain stores. If you do buy in such places, it is wise to buy nationally advertised products which you are positive generally sell at higher prices.

Telephone shopping on certain occasions is a great convenience and a timesaver. As a rule you will find that you can get better quality, selection, and value when you go to the store in person and look around carefully before you buy.

**7. Paying the Bill.** You have made your purchase. It is now time to pay the bill. The wisest way is to pay cash. A pay-as-you-go policy will keep you from buying things for which you cannot pay. Buy today only what you can afford today.

Some people, however, have found it convenient to charge all the things purchased during a month and pay the entire bill at the end of the month. Your local store or department store is usually willing to give you this credit service for a short period of time. If you have

ever tried this plan, you know that it is very easy to say, "Charge it to my account, please." But when the bill comes at the end of the month it is not quite so easy to pay for all the things you bought and which you may have already used up. Some large department stores have found it very profitable to cater to thrifty people who pay cash as they buy, and therefore, have more money to spend on the things they want.

Suppose your mother needs an electric refrigerator but does not have enough money to pay for it. Instead of waiting until she accumulates the necessary money, she may decide to buy it on the *installment plan*. This means that she will make a certain down payment immediately and pay off the balance at so much per month, over a period of a year or possibly eighteen months. It is very easy to see that in this way your family can enjoy today what it cannot pay for until tomorrow. This sounds like a very fine plan, you say. Is there a catch in this setup? Somebody has to advance the money and pay the merchant for his refrigerator. This means that your family will have to pay a good deal more for the article to cover the interest and the service charge on the money which has to be borrowed for this purpose. In addition to the extra charge, if your family finds that it cannot meet all the payments, it may lose the money it has paid in, and the refrigerator as well.



In brief, this is the same idea which is found in all credit buying in which purchases are paid for over a long period of time. In addition to being called installment buying, it is sometimes referred to as the deferred-payment plan, budget plan, weekly-club payment plan, and similar names. It is only fair to add, that for the purchase of automobiles, heating equipment, and home improvements, these long-term credit plans have been helpful to many people. Unfortunately, however, many low-income wage earners have mortgaged their future salaries to pay for things which have long since been placed on the scrap heap.



## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-18 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. What difference does it make to you how much your family spends on household items?

2. Your family spends \$30 a week. In a period of one year (52 weeks) how much will be spent? If you can show your family how to save 5 per cent of this expenditure, how much will they save?

3. Imagine that you are earning \$25 a week. How much will you earn in a year? If you earn the same amount from the time you are 21 until you reach the age of 31, how much will you earn?

4. You are anxious to become a wise buyer. Explain the first thing you will do before you buy anything.

5. You are trying to decide whether you need a new hat. Make up five questions you will ask yourself before you decide.

6. The question of price does not enter into wise buying. Discuss this statement.

7. Your friend is graduating and you have decided to buy a camera as a gift. Name and tell just a little about the different local stores in which you can shop for this present.

8. Tell the audience how you feel about "bargain hunting."

9. Imagine yourself talking to a sales clerk about a coat you are buying. Ask at least five specific questions about the coat.

10. You heard on the radio that a certain toothpaste is nationally advertised. The radio announcer said that this is the best proof that it is a good dentrifice. How do you feel about his claim?

11. As far as many people are concerned, labels are put on canned foods to decorate them. What do you look for on labels?

12. All guarantees are alike. As soon as you see a guarantee on a product you may be sure that it is a good commodity. Is this statement true or false? Why?



13. A friend tells you he knows where you can get "something for nothing." If you go with him, will the two of you be the only ones there? Discuss the possibility of getting "something for nothing."

14. You are told by a relative that he can buy things for you "wholesale." Tell your relative what you think about buying at retail and getting wholesale prices.

15. Telephone shopping is a convenience. Do you agree with this statement? Explain your views on both sides of the question.

16. Your family has bought a radio. Explain how they can pay for it. Tell a little about each method.

17. One member of your family believes that you should buy today what you can afford today. Another member says that you should buy today and worry about paying for it tomorrow. How do you feel about this discussion?

18. Give at least three names used to designate long-term credit plans.



## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

acquainted	coast	interested	realize
angle	deferred	lifetime	recognize
another	department	merchant	refrigerator
approaches	exactly	naturally	reliable
arithmetic	expenses	neighborhood	scrap
assistance	guaranteed	obtain	serviceable
assume	heap	perhaps	specialty
attractively	household	properly	suppose
bargain	illustrated	purchase	suspicious
carefully	improvements	quality	thrifty
certain	installment	quickly	vaguely
characteristics	intention	ready-to-wear	whether

## THE FIRST OF THE THREE R'S—READING

accumulate	borrower	garment	opportunity
actually	charge	luxury	range
advertising	clearance	manufacturer	referred
afford	compelled	mortgage	super-market
anxious	economic	necessary	suspicious
bankruptcy	especially	occasionally	wholesale

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Ask your father to tell you approximately how much he spent last week on all household expenses.
- (b) Multiply this figure by four to determine the average monthly expenditure.
- (c) Multiply the amount spent every week by 52 to get an idea of how much your family spends during a year.
- (d) Submit these figures to your father for verification.
- (e) If your family can save five per cent of this amount through wise buying, how much will they save in one week? one month? six months? one year? ten years?

### Job 2—

- (a) Ask a member of your family approximately how much he earns a week.
- (b) Calculate his monthly salary.
- (c) How much will he earn in a year?
- (d) If he works for 35 years at the same salary, what will his lifetime earnings total?
- (e) If he can save five per cent of this amount through wise buying, how much will be available for additional luxuries?

### Job 3—

- (a) You are a detective. Search Part One of this chapter for suggestions on what to do before you buy.
- (b) Set these suggestions up in the form of a check list. Arrange the list in this way and complete it. Check the suggestions you use in buying certain articles.

## BEFORE I BUY—CHECK SHEET

Suggestions	Article 1	Article 2	Article 3
Deciding What I Need:			
1. Do I really need this item?			
2.			
3.			
4.			
5.			
How Much I Can Spend:			
1. Do I know how much it costs?			
2.			
3.			

(c) The next time you buy anything, check on this sheet the suggestions you use.

### Job 4—

- (a) Imagine that you need a coat or suit. You do not have to stretch your imagination very much to do so, do you?
- (b) Shop around for this item in all the stores you can visit.
- (c) Make a report of the stores visited and your findings. Your report is to be submitted to a business executive.

### Job 5—

(a) Prepare a chart showing the different kind of stores in which you can shop. Follow this plan.

## STORES

Kind of Store	Characteristics	Shopping Advantages	Shopping Disadvantages
1. Independent neighborhood store.	1. Located in my neighborhood. 2. Mr. Brown owns it. 3. Sells meats and groceries. 4. 5.	1. Convenient	1. Prices are high.

(b) Complete this chart for your community or town.

Job 6—

- (a) You are given the debate problem: Resolved: "Installment Buying Is More Economical Than Cash Buying."
- (b) Prepare arguments on both sides of the question.
- (c) Prepare a five-minute talk on either the affirmative or negative side of the issue.

Job 7—

- (a) Collect ten labels of different products. If you cannot obtain actual labels make copies.
- (b) Analyze the information found on these labels.

Job 8—

- (a) Your family buys a refrigerator. Make a chart of all the methods they can use in paying for it.

METHODS OF PAYING FOR PURCHASES

Method	Characteristics	Advantages	Disadvantages
1. Cash	1. Pay immediately. 2. Pay for the entire purchase.	1. Lower prices.	Can buy only when you have cash.

- (b) Complete the chart.

Job 9—

- (a) Make a collection of guarantees found on various articles.
- (b) Analyze each guarantee. Just what does it mean?
- (c) Prepare a final report on the value of guarantees.

Job 10—

- (a) Your class likes debates. This time the problem is: Resolved: "Nationally Advertised Products Are the Best on the Market."
- (b) Prepare a list of arguments on both sides of the question.
- (c) Be ready to make a five-minute speech on either the affirmative or negative side.

Job 11—

- (a) Visit your neighborhood markets and find out how many brands of the following canned foods are available. Ask the independent merchant as well as the chain store.
- (b) Prepare a chart in this way.



## BRANDS—CANNED FOODS

Tomatoes	Sliced Peaches	Pears	Corn Cream Style	Pineapple Juice
1. Brand	1.	1.	1.	1.
2.	2.	2.	2.	2.
3.	3.	3.	3.	3.

(c) Combine all the lists in the class. How many brands of each food did your class find?

### Job 12—

- (a) Select one nationally advertised brand of the five foods in Job 11.
- (b) Compare the prices asked in various stores for the same product.
- (c) Prepare a chart in this way.

### PRICE COMPARISON

Name and Kind of Store	Prices				
	Brand Tomatoes	Brand Peaches	Brand Pears	Brand Corn	Brand Pineapple Juice
1. Brown's— Independent	\$ .10	\$ .16	\$ .18	\$ .09	\$ .11

### Job 13—

- (a) Use the five products in Job 12. Find out how much you will have to pay for the same size and quality of the various brands available.
- (b) Prepare a chart to show this information.

### PRICE COMPARISON BY BRANDS

Tomatoes		Peaches		Pears	Corn	Pineapple Juice
Brand	Price	Brand	Price			

(c) Complete the chart.

**Job 14—**

- (a) Go through Part One of this chapter.
- (b) Prepare five questions on anything which deals with this work.

**Job 15—**

- (a) "Chain Stores vs. Independent Stores."
- (b) Pick your side and prepare arguments to defend it.

**PART TWO: INFORMATION, PLEASE**

1. **Lost in the Wilderness.** If you have done any buying at all for your mother or your family, you know how many different brands and qualities you can find of every article for which you are shopping. It would be too much to expect you to know, for example, the type of radio which is the best one to buy for your room. You have not had enough experience in buying radios or anything else for that matter, to know, offhand, which make of the many on the market is the best one to buy for the money you have to spend. Instead of talking about radios, let us consider bicycles for a moment. Suppose your father has just told you that he is giving you a certain amount of money to buy "the bicycle" for which you have been yearning. Naturally, you want to get as much for your money as you possibly can. If the amount he gives you will buy a good machine and a few additional gadgets, you are very eager to get them. If you have to pay a little more for the bicycle, you will have to do without some of the extras which other riders in your neighborhood possess. What are you going to do about it? Your father and mother cannot help you much because they have not bought many bicycles, and they may not know very much about them. The storekeeper in your neighborhood store tells you that the best bicycle is the one which you cannot even begin to consider with the amount of money your father has given you. You look in the catalogues of the mail-order houses and find such a variety of bicycles that you do not know where to begin.

Suppose somebody comes along and tells you of a place where you can find out exactly which bicycle is the best buy at a certain price. In addition, you are told what to look for when buying a bicycle so that you will be satisfied with it, long after the shiny finish

wears off. On top of all that service, you can save a few dollars by getting a bicycle which is really well-built and is excellent value although it may not look as showy as some of the others. You would jump in a minute at that service, would you not? Well, that service is available to you and your family. The only difficulty is that you may never have heard about the organizations which are doing this work to help people buy wisely. Since we know that you are anxious to save every cent possible, we will acquaint you with some of the guides which will enable you to get the most value out of the money which you and your family spend.

2. **Government Agencies.** Several of the organizations of which we just spoke are operated by the United States Government. We do not expect you to memorize the names of these bureaus nor to be able to list in detail the services they perform. We merely want you to become acquainted with them and to know that they are ready to serve you whenever you care to take advantage of their advice.

The Department of Agriculture conducts several services which supply information to consumers. One of the most important is the *Food and Drug Administration* which is constantly on the lookout to prevent the manufacture and sale of foods, drugs, or cosmetics which are not fit for use by the public. You would be surprised to learn how many hundreds of articles are destroyed each year by this organization because manufacturers have tried to sell to the public food products which they would certainly not want their own families to use.

In addition to this "Sherlock Holmes" type of service, the Department of Agriculture publishes a magazine called *Consumers' Guide*. This publication will be sent to you free of charge if you write to the Editor, *Consumers' Guide*, U. S. Department of Agriculture, Washington, D. C., and ask him to put your name on the mailing list. You will find a great deal of helpful information about many articles which you may be interested in buying.

Another service performed by the Department of Agriculture is the setting up of grading standards (requirements) for canned goods and agricultural products, as well as meats. In buying meats you may notice a round purple stamp which reads, "United States Inspected

and Passed.” This means that the meat is free from disease. While the Government has not done as much as it might do in the grading and inspection of products, you will find it helpful to look for these stamps whenever you buy food commodities. At least you know that they have been inspected according to the law.

Another branch of the Government service which does a good job for consumers is the *National Bureau of Standards*. It is charged with the safekeeping of our National Standards of Length and Mass on which our whole system of weights and measures depends. It is constantly making comparisons between these national standards and those of states and cities, college laboratories, and manufacturers. It has charge, also, of the many other standards of measurement, quality, performance, and practice needed by science and industry. In the Bureau’s laboratories hundreds of tests are made each year to determine whether goods which the Government buys meet the Federal Specifications. The Bureau is helping consumers because it encourages manufacturers to give definite information about their products in their advertising. Some of the lines of commodities on which the Bureau conducts investigations and research include automotive equipment, dental materials, electric lamps, heating appliances, leather, motor fuels, paints, paper, rubber products, leather goods, textiles, and building materials.

**3. Better Business Bureau.** In addition to the Government organizations, there are many private agencies which help the consumer. The *Better Business Bureaus* throughout the United States bring to the attention of the public all sorts of rackets and wild schemes to defraud people of their hard-earned money. Whenever such a Bureau hears of a new swindle or fraud, it promptly investigates it and then makes public the details of the latest scheme to part you from your money. The motto of the Better Business Bureau is “Investigate before you Invest.” This is very sound advice to add to the information we have already given you on buying. If any of your friends or relatives have dealings with those who are trying to interest them in suspicious oil mines or gold-brick sales, write to the National Better Business Bureau located in New York City, New York. This organization will be glad to investigate the matter imme-





# Fair Trade Code

for ADVERTISING and SELLING

of the NATIONAL ASSOCIATION OF BETTER BUSINESS BUREAUS, INC.

I	Serve the public with honest values.
II	Tell the truth about what is offered.
III	Tell the truth in a forthright manner so its significance may be understood by the trusting as well as the analytical.
IV	Tell customers what they want to know—what they have a right to know and ought to know about what is offered so that they may buy wisely and obtain the maximum satisfaction from their purchases.
V	Be prepared and willing to make good as promised and without quibble on any guarantee offered.
VI	Be sure that the normal use of merchandise or services offered will not be hazardous to public health or life.
VII	Reveal material facts, the deceptive concealment of which might cause consumers to be misled.
VIII	Advertise and sell merchandise or service on <i>its</i> merits and refrain from attacking your competitors or reflecting unfairly upon their products, services, or methods of doing business.
IX	If testimonials are used, use only those of competent witnesses who are sincere and honest in what they say about what you sell.
X	Avoid all tricky devices and schemes such as deceitful trade-in allowances, fictitious list prices, false and exaggerated comparative prices, bait advertising, misleading free offers, fake sales and similar practices which prey upon human ignorance and gullibility.

diately and inform you of its findings. Perhaps you will have put them on the trail of a new racket.

4. American Medical Association. This is the national organization of doctors. Its main job in the consumer field is to test, investigate, and approve or reject foods, drugs, and chemical products

offered for sale. When it finds an article which meets certain rigid (strict) requirements, it is awarded a "Seal of Acceptance." When you come across a commodity which bears the seal of the *American Medical Association*, you may feel quite certain that it is safe to buy and use. You may be just as certain about such a product as you are of the value of silver on which "sterling" is marked.

5. **American Dental Association.** This group is made up of dentists who examine toothpastes and mouth washes just as the doctors investigate foods, drugs, and chemicals. The seal of the *American Dental Association* is your best guarantee that the dentifrice carrying it is safe to use. This is a much better way of finding the value of an article than depending upon the taste, the color, or the attractiveness of the container.

6. **Underwriters' Laboratories, Incorporated.** When you are buying electrical supplies and equipment, your best guarantee that the equipment is safe to use is the seal of the *Underwriters' Laboratories, Incorporated*. This organization maintains laboratories to test various appliances submitted to them by manufacturers to see whether they are safe for use by the public. You should look for their seal on household appliances such as electric heaters, toasters, waffle irons, electric grills, stoves, gas appliances, and fire extinguishers. We hear much these days about ways to avoid fire hazards and accidents around the home. One of the ways you can avoid some of these accidents is to use apparatus that you know has been tested and well-made.



7. **Consumer Testing Organizations.** Remember that when we were talking about bicycles, we mentioned an organization which can give you information about bicycles and many other articles. There are several associations which aim to supply you with advice concerning what to buy and what not to buy.

From time to time you will read criticisms of various of these agencies. Some attacks may be made by manufacturers whose goods may have been discredited; others may arise from faults in the organization itself. Attacks of this sort are sometimes beneficial, for organizations which cannot withstand criticism may not be doing the work they set out to do. By and large, these agencies do a real service for the consumer.

*Consumer's Research*, for example was one of the pioneers in the field to provide buyers with honest and complete information about the things they need for daily use. It does not receive money from any manufacturer or from any commercial group. You may ask, "Then, where does it secure the money to provide this service?" The answer is, that it obtains the money from the very people it serves. People who are interested in getting this information join the organization and pay membership dues every year. With this money, *Consumer's Research* maintains laboratories in which it tests the articles for its subscribers. It constantly investigates and tests all sort of foods, fabrics, household articles, automobiles, clothing, and other items used by the average person. After testing an article, it informs the member whether that particular brand is "recommended," "intermediate or in between," or "not recommended." You cannot get this information, however, unless you are a member of the organization and sign an agreement that you will keep all the information confidential.

To give you a little better idea of the sort of information the organization publishes, here is a report on tennis balls which was included in a recent bulletin. We, of course, must omit the names of brands because this information is available only to members.

#### A. RECOMMENDED

*Brand M.* (Made in England) \$1.15 for three. Pressure-packed, three in a can. Slightly underweight. Rebound within standard limits before and after aging. Wear-resistance of cover good. Adhesion of cover very good. Largest variation in rebound between samples of brands tested this year.

*Brand N.* \$1.25 for three. Pressure-packed, three in silver, red, and blue

can. Slightly underweight. Exhibited excess rebound before, and very good rebound after, aging. Wear-resistance and adhesion of cover excellent. This ball although of the same name as one tested last year and rated B. Intermediate, is a ball constructed of different material, illustrating the unreliability of brand names as currently sold by manufacturers as a means of identifying type and quality. Second largest variation in rebound between samples, of brands tested this year.

## B. INTERMEDIATE

*Brand O.* (Made in England) \$1.25 for three. Fell within standard rebound limits before, and had somewhat low rebound after, aging. Wear resistance of cover good, adhesion of cover satisfactory.

*Brand P.* (Made in England) \$1 for three. Slightly underweight. Exhibited slight excess rebound before, and good rebound after, aging. Wear resistance of cover very good. Adhesion of cover somewhat low. Third largest variation in rebound between samples, of brands tested this year.

*Brand Q.* Mail order. 99¢ for three plus postage.

*Brand R.* Mail order. 95¢ for three plus postage.

## C. NOT RECOMMENDED

*Brand S.* 98¢ for three. Weight substandard. Exhibited excess rebound before and after aging. Wear-resistance of cover poor. Adhesion of cover somewhat low.

*Brand T.* Mail order. 25¢ each plus postage. Weight substandard. Exhibited excess rebound before, and good rebound after, aging. Wear-resistance of cover poor. Adhesion of cover satisfactory.

*Brand U.* (Made in England) \$1.25 for three. Slightly underweight. Exhibited substandard rebound before, and poor rebound after, aging. Wear-resistance of cover very good; adhesion somewhat low.

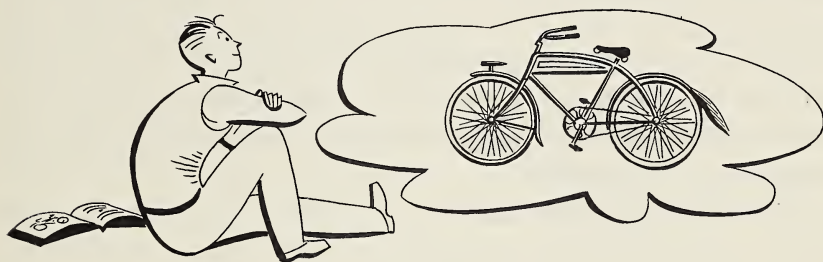
In addition to these reports in its Bulletins and Annual Handbook of Buying, *Consumer's Research* publishes a monthly magazine called *Consumers' Digest* which can be bought on any news stand and which you will probably find in your school library.

We told you in the previous section that *Consumer's Research* was the first nonprofit, noncommercial testing bureau in the field.



Several of the people who were connected with *Consumer's Research* started a new group called *Consumers Union*. Their work is so similar to that of *Consumer's Research* that we are not going to repeat the details. The main difference between the two organizations is that included in the *Consumers Union* reports you will find much information about labor conditions in the factories manufacturing the articles which are tested. The yearly publication of the *Consumers Union*, in which there is information about a great many articles, is called, *A Buying Guide*. This buying guide contains a review of all the brands which have been discussed in the monthly reports during the previous year. It is published in the form of a small handbook which can be slipped into your pocket or into the pocket of a car and which can be referred to very easily when you are shopping for a certain article. If you are interested in seeing a copy of some of the *Consumers Union* reports, write a card to *Consumers Union*, Union Square, New York City.

To give you an idea of the manner in which it sets up its reports, we are including a copy of one of them. Here again we have to omit the name of the product because this information is strictly confidential and is supplied only to members.



## BICYCLES

Like automobiles, bicycles are now "streamlined," available with front and rear brakes, equipped with balloon tires and even "knee action." Gadgets have been hung on the bicycle like decorations on a Christmas tree. Bumpers, stop lights, and rear-vision mirrors are common; electric horns and lights (some powered by "automatic" generators) have been widely adopted.

One result is that, while a manufacturer may produce good basic parts, the added equipment may be of poor quality. In most cases the dealer himself has the privilege of specifying a number of items of equipment on the machines he orders.

It is to the advantage of the buyer, therefore, to know the makes of parts he wants and, where possible, to specify equipment known to be of high quality. Since it is impossible to discuss all the parts and special equipment in the *Buying Guide*, members are referred to the full report on bicycles and velocipedes in the May 1938 issue of the Reports. This report includes a discussion of wheels, rims, tires and tubes, pedals, saddles, handlebars, brakes and other accessories, with some brand ratings.

For the utmost in simple but sturdy frame construction, choose the straight bar or diamond frame bicycles or as close a replica as can be found.

Of the imported bicycles, English and Belgian products are very good but expensive. They are in general light in weight and some have two-wheel brakes and three-speed gears. Among the better foreign-made bicycles are the following: Brands A, B, C, D, E, and F.

*Brand A*, owing to its somewhat lower price, is judged to be a "Best Buy." *Brand B* makes one of the best of the racing bicycles.

The prices of the bicycles listed below will range from \$25 to \$50, but in most cases, due to the many styles and grades available from each company, prices are not given. Most makers put out special brands of cheaper and often flashy but skimped construction, for use as price leaders—avoid them. Buy one of the manufacturer's regular lines, but order it without special gadgets and options. In other words, spend your money for the bicycle itself.

Ref.: CU Reports, May 1938

### BEST BUY

*Brand A*. Model BA67. About \$27.50. Considered the "Best Buy" of the models sold by this company. Avoid models with knee-action front-wheel suspension.

### ALSO ACCEPTABLE

*Brand B*. Model 86 H, single-bar, sells for \$35. The best of the American-made bicycles, but expensive.

*Brand C.* Comes in many styles and sizes.

*Brand D.* Mail order. Practically identical with Brand C but prices are lower.

*Brand E.* General construction equal to that of Brand A, but price is higher.

*Brand F.* Not as well constructed as Brand A, but satisfactory. Avoid models with a spring suspended frame.

*Brand G.* Similar to Brand E but the quality of some parts and the finish vary.

*Brand H.* Frame of relatively poorer construction than bicycles listed above.

*Brand I.* A smooth-riding bike when new but parts had tendency to loosen up.

*Brand J.* Emphasis on style features.

*Brand K.* Frame construction skimped. Parts difficult to obtain in some localities.

*Brand L.* Relatively poor frame construction and finish.

*Brand M.* Has an all-aluminum pressed frame, a poor substitute for welded construction. Parts difficult to obtain.

## NOT ACCEPTABLE

*Brand N.* Constructed almost entirely of Japanese parts of uniformly poor quality.

*Brand O.* Comments under Brand N apply.

In addition to supplying information about products tested, *Co-operative Distributors, Incorporated*, sells to its members selected articles of high quality at low prices. It distributes wearing apparel for men, women, and children; household furnishings, and personal items such as cosmetics and dentifrices. Most of its business is conducted on the mail-order plan. It is not operated to make a profit but to supply its members, who are the owners, with goods at low prices. This is the feature which makes it a co-operative rather than a private, profit-seeking organization. It also publishes a bulletin called *Consumers Defender*. If you are interested in finding out more about this organization and wish to obtain a catalogue, write to Cooperative Distributors, Incorporated, 116 East Sixteenth Street, New York City, New York.

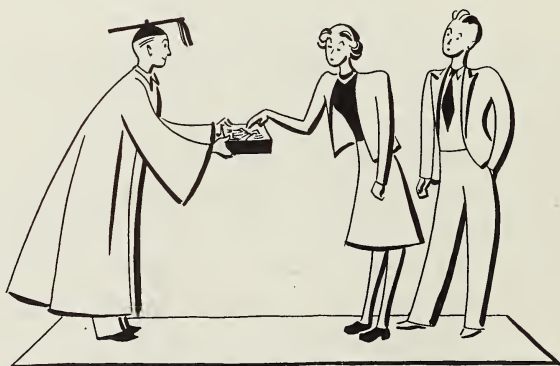
To give you some idea of the type of information it supplies to its members, a copy of a report on men's shirts is included below.

## MEN'S SHIRTS

CD's shirts are guaranteed to keep full-sized collar when laundered. The broadcloth is woven from long, staple, finely combed cotton of uniform weight and quality. Colors are fast, vat-dyed.

*No. 335*—A serviceable, well-styled shirt at low cost. Materials of same quality as *No. 340*. Pocket on left side. An all-round shirt that will meet the needs of any man. Sturdy and strong, well-designed and smart looking. Attached collar only.

*No. 340*—Non-wilt type collar that gives you stiff-collar appearance with soft-collar comfort. A waterproof, patented, interlining prevents the collar from wilting, wrinkling or creasing. Made of single thread cotton broadcloth. Thread count,  $152 \times 80$  for the white and  $136 \times 60$  for the colored. Tensile strength: warp 84 lbs.; filling 34 lbs. Shrinkage per yard: warp  $1\frac{1}{2}$  inches; filling 1 inch. The collar needs no starch—just wash and iron like any other shirt. Attached collar only.



## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-18 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Your mother sends you to buy a can of peaches. When you come to the store you will find on the shelves only one brand of peaches, only



one quality of peaches, and one-size cans. Is this statement true or false? Give a full explanation for your answer.

2. Should you depend 100 per cent on the information every store-keeper gives you? Think before you speak and give reasons for your answer.

3. Name three government agencies which help consumers.

4. What is the job of the Food and Drug Administration?

5. Suppose you are in a meat market and notice a piece of meat stamped, "U. S. Inspected and Passed." Just what does this mean to you?

6. Your father is in the market for a used car. He knows very little about automobiles. Where can he get some honest information?

7. Imagine that one of your relatives is a buying agent in the employ of the United States Government. Who supplies him with information on what to buy, and what kind of information does he receive?

8. "Investigate before you invest" is the advice given by oil-well swindlers to the people they expect to cheat. Tell whether this statement is true or false and give the reasons for your answer.

9. You are buying baby food and wish to get the safest food on the market. Whose seal would be your best guarantee and why?

10. Name five articles on which you would expect to find the seal of the Underwriters Laboratories, Incorporated.

11. You are particular about the toothpaste you use. Whose seal would satisfy you?

12. What kind of information can be obtained from *Consumer's Research*?

13. *Consumer's Research* is a testing organization supported by the National Association of Manufacturers. Discuss this statement.

14. After reading the *Consumer's Research* report on tennis balls, which brand would you buy? Why?

15. Why do we have to call the tennis balls M, N, and O, instead of giving brand names? Explain.

16. Another nonprofit testing bureau is operated by what organization? Tell the class something about it.

17. You expect to buy a bicycle. Which bicycle would you select after reading the report printed in your book?

18. Your father tells you that he is interested in the reports about commodities. However, he wants to know where he can buy some items from a nonprofit organization. What would you tell him?

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

acquainted	commodities	gadgets	qualities
agencies	confidential	grading	referred
annual	consumer	guarantee	requirements
anxious	co-operative	investigate	rigid
apparel	cosmetics	laboratories	satisfied
appliances	defraud	mail-order	scientists
articles	dentifrices	memorize	standards
bicycles	distributes	neighborhood	supplies
bureaus	eager	offhand	suspicious
catalogues	electrical	pioneers	variety
certified	equipment	previous	weighing
commercial	experience	publication	yearning



## THE FIRST OF THE THREE R'S—READING

additional	bulletin	incorporated	shrinkage
advice	bureau	investigate	similar
agriculture	commodities	laboratories	swindler
automobile	construction	organization	tennis
available	excellent	research	toothpaste
broadcloth	identical	seal	uniformly

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Ask several members of your family to tell you the kind of information they would like to receive about articles they expect to buy soon.

- (b) Make a list of the articles and the information desired.
- (c) Find out from Part Two of this chapter where you can obtain this information.
- (d) Try to obtain the information desired and report it to your family.

**Job 2—**

- (a) Prepare a chart of government agencies which supply information to consumers. Set it up in this way.

### GOVERNMENT AGENCIES AND THE CONSUMER

Name of Agency	Services Performed	Seal or Publication Issued

- (b) Complete the chart. Search for other agencies which are not listed in your textbook.

**Job 3—**

- (a) Prepare a chart of professional and private organizations which supply information to consumers. Set it up in this way.

### PROFESSIONAL AND PRIVATE TESTING SERVICES

Name of Organization	Type of Service Performed	Who Supports the Organization	Seal or Publication	Cost

- (b) Complete the chart. Search for other agencies which are not listed in your textbook.

**Job 4—**

- (a) Start looking for articles carrying the seal of a magazine which has investigated or rated them.
- (b) Make a list of at least fifteen such articles.
- (c) Check up the rating given these items by one of the nonprofit testing services.
- (d) Prepare a report of your findings.
- (e) Suppose that you notice a difference between the two ratings. Which would you prefer to accept? Why?

Job 5—

- (a) Look for commodities bearing the seal of the Underwriters' Laboratories, Incorporated.
- (b) Make a list of at least ten items.
- (c) What does this seal mean to you?

Job 6—

- (a) Look for commodities bearing the seal of the American Medical Association.
- (b) Make a list of at least ten items.
- (c) What does this seal mean to you?

Job 7—

- (a) Look for commodities bearing the seal of the American Dental Association.
- (b) Make a list of at least ten items.
- (c) What does this seal mean to you?

Job 8—

- (a) Write a letter to *Consumer's Research* asking for a sample copy of their Bulletin.
- (b) Write a letter to *Consumers' Digest* asking for a specimen copy of the magazine.
- (c) Write a letter to *Consumers Union* asking for a sample of their Reports.
- (d) Write a letter to *Cooperative Distributors, Incorporated* asking for a copy of their catalogue.
- (e) Write a letter to the editor of *Consumers' Guide* asking him to put your name on the mailing list.

Job 9—

- (a) Select five articles from this list:

men's hose	men's suits	fountain pens
silk hosiery	fur coats	ink
men's shoes	tennis racquets	typewriters
women's shoes	baseballs	mechanical pencils

- (b) Look up the recommendations of *Consumer's Research* or *Consumers Union* on your five articles.
- (c) Prepare a report telling which brands you would select.



Job 10—

- (a) Your father is in the market for a used car. He wishes to spend approximately \$300. Naturally he is anxious to get good value.
- (b) Look up *Consumers Union Reports* for June 1939. On pages 25-26 you will find a check list of Used-Car Tests.
- (c) Prepare a report to your father which includes your recommendations.

Job 11—

- (a) Make a list of five articles you need.
- (b) Find out how much each article will cost in your local store.
- (c) How much will each article cost in a large department store?
- (d) How much will each article cost in a chain or specialty store?
- (e) How much will each article cost when purchased from a mail-order house?
- (f) How much will each article cost when purchased from *Cooperative Distributors, Incorporated*?
- (g) Present this information in chart form.



Job 12—

- (a) Go through Part Two of this chapter.
- (b) Prepare at least five questions on any of the material covered in this section.

Job 13—

- (a) Prepare a list of all the new things you have learned in this phase of the work.
- (b) List some of the things you did not care for in this part of your activity.

### PART THREE: TESTS TO TRY FOR YOURSELF

In Part One of this chapter you were given general information about buying goods. In Part Two you were told where to get more detailed information about articles in which you may be interested. In this section your attention will be called to several simple experiments and specific bits of information which you may use in protecting yourself when buying. Just to read about these will not do you any good. Why not try them? You may find them to be great fun in addition to being money savers.

1. **Simple Tests on Fabrics.** Many of the purchases which you and your family make require a knowledge of fabrics or textiles. You will find the following experiments helpful in saving money on such purchases.

#### *The seam test*

- (a) Before you buy any material you must make sure that the fabric will wear well. Obtain a sample piece of material.
- (b) Pin two edges of the fabric together. You will notice that this makes a seam.
- (c) Grip the fabric on each side of the seam.
- (d) Pull the fabric. Notice whether it splits easily. If it does, the fabric probably will not wear well.

#### *The tearing test*

- (a) Again obtain a sample of material.
- (b) Tear the sample. If the fabric tears easily, you are sure that the cloth will not wear well. The harder it is to tear the material, the greater resistance it has against wear and the better service it will give.

#### *The pulling test*

- (a) Obtain a new sample of material.
- (b) Grip the fabric at opposite ends.
- (c) Pull slowly and evenly at both ends. Notice how much strength is required to split the fabric.
- (d) Pull the cloth with quick jerks. If the fabric will stand quick jerky pulls, it is a strong fabric. If you read any of the reports in *Consumer's Research* and *Consumers Union* and come across the term *tensile strength*, you will know that it means the way

in which the fabric resists the pulling test when done by a machine.

### *The burning test*

- (a) Obtain samples of wool, pure silk, weighted silk, cotton, linen, and rayon.
- (b) Hold each sample over a saucer.
- (c) Light a match and apply it to a corner of the sample.
- (d) When the sample begins to burn, drop it into the saucer.
- (e) Watch the burning sample, and notice the odor.

1. If the odor resembles that of burning hair and the ash is charred, then the sample is *wool*.
2. If the sample burns slowly, leaving a crushable brown ash and gives off a weak burning-hair odor, then it is *pure silk*.
3. If the sample leaves a charred black frame and remains in one piece, then it is *weighted silk*. Weighted silk is silk to which a metal has been added to give it body or weight and, therefore, it does not wear as well as pure silk.
4. If the sample burns as quickly as paper and the odor is similar to that of burning wood, leaving a slightly grayish ash, then you know it is either *cotton*, *linen*, or *rayon*.

The burning test may show that the one piece of material is made of two different fibers. It may be a combination of silk and wool.

### *The breaking test*

- (a) Obtain samples of different materials.
- (b) Unravel a thread from one piece of fabric.
- (c) Hold an end of the thread firmly in each hand.
- (d) Pull steadily until the thread breaks.
- (e) Examine the broken ends carefully.



*How strong is it?*



1. If the ends are curly and fuzzy, the material is *cotton*.
2. If the ends are straight, pointed, and do not curl, then the fabric is *linen*. The linen thread does not break as easily as cotton. That explains why linen gives longer wear. Have you ever noticed this in your own experience?
3. If the thread breaks easily and the ends are kinky, the material is *wool*.
4. If the threads are straight, shiny, and small, then the sample is *silk*.

Here again you must remember that the same thread may contain two different fibers—wool and cotton, or linen and cotton.

*The ink or water test*

- (a) Obtain samples of linen and cotton materials.
- (b) Wash both samples.
- (c) Dry and iron both samples.
- (d) Place a drop of ink or water on both samples. The linen sample will absorb the water very quickly, and a round spot will form at once. In the cotton sample, the liquid will spread slowly and form an irregular pattern.

*Has it shrunk? Will it wash?*





## *The lye test*

- (a) Obtain samples of wool and cotton materials.
- (b) Put two teaspoons of household lye in a pint of water.
- (c) Boil the samples in the solution for five or ten minutes. Be very careful not to get any lye on your hands or clothes.
  1. The wool sample will disappear during the boiling process because wool is destroyed by an alkali-like lye.
  2. The threads which remain in the solution are the cotton threads.

These tests should acquaint you with some of the things you can do for yourself in order to become a wiser buyer of goods. In addition, we wish to call your attention to some of the points to consider in buying articles in common use, such as stockings, gloves, bathing suits, and toothbrushes. We cannot even begin to give you information about all the articles which you will buy for yourself, but we can acquaint you with the type of information available concerning many articles.



**2. Silk Stockings.** When you buy silk stockings, one of the important things to look for is the length of the stocking from the heel to the top. A stocking may measure 29 or 31 inches from the heel to the top. There is also a short stocking which measures 27 inches, and a long stocking which is 33 inches in length. Make sure that you get the length which you have found fits you best and have the salesgirl measure it for you. Why all this talk about length? The answer is that frequently runs are caused when the stockings are too short.

You can determine the exact size you need by measuring your foot and allowing an extra half inch. If your foot measures nine inches you should get a stocking that measures nine and one-half inches from the tip of the toe to the back of the heel. In order to determine whether the stocking will stretch as needed, hold the heel of the stocking in one hand and the curve of the instep with the other. It should spring back into shape when stretched.

In addition to all this measuring, look for the following defects which may readily be recognized by anyone who is looking for them:

- (a) Flaws in the silk which show up in the form of knots and rough places.
- (b) Unevenness of shade which may make the stocking look streaky after it is washed.
- (c) Rings, especially at the instep.
- (d) Mended places in the back seam.

It is considered wise economy to buy two or three pairs of stockings of the same color at one time. One stocking may develop runs, while the other is still good, and it may be impossible to match the pair exactly if the purchase is made at a later time.



3. **Leather Gloves.** When buying leather gloves examine the label carefully. It should tell you the type of leather used. Then examine the leather. Press it gently and draw it through your fingers. It should feel soft and alive, rather than papery or stiff. See that the different pieces of leather in the gloves are reasonably well-matched. Pull on the seams along the length for stretch. Pull on the crosswise seams to see if the leather is strong. Rub the glove with your handkerchief to see if the color comes off. This is especially important for suede gloves in dark shades. Finally, make sure that the glove is large enough. Try the gloves on both hands before you leave the store.

4. **Bathing Suits.** When buying a bathing suit it is wise to remember that wool is the best fiber for bathing suits. While light colors, such as yellow, pink, sea-green, and light blue may be very attractive on the beach, the dark shades resist sunlight better and will give you longer wear.

When you rinse a bathing suit do not use hot water or strong soaps. Do not rub the garment hard or put it through the wringer. You will get the best results if you do not use any soap at all. After

you have gently squeezed out the water, the suit should be thrown over a line to dry in the shade. Do not use clothes pins and do not hang the suit by one corner or by a shoulder strap. After wearing a suit, whether in the water or not, it should be rinsed in fresh water. Then it should be thoroughly dried to avoid being damaged by mildew. When you pack your suit away, it should be protected with the usual moth preventives.

5. **Sun Glasses.** If you are going to wear a pair of sun glasses for any length of time, for driving a car or reading, cheap glasses may cause headaches and eye strain. It is, therefore, important to be careful in buying sun glasses. Examine each pair carefully before you buy. See that the glasses are free from flaws by holding them at least a foot away from your eyes and by looking carefully through each glass at an object which is about another foot away from you. If the object appears blurred or twisted, smaller or larger than normal, then you know that the glasses are not satisfactory. As a final test, turn the glasses around while looking at a round object. The object should not bulge, but should remain circular in appearance.



6. **Toothbrushes.** A good toothbrush should have a straight handle and a small head. Most people prefer a head with three rows of bristles and about six tufts to the row. The tufts should be of the same height, at least half an inch long, and well fastened into the head of the brush. The bristles should be moderately stiff, but not so stiff as to scratch the gums. For best service it is recommended





*Is it linen or cotton? How much does it weigh and is it well made?*

that you buy two brushes and use first one and then the other. Let each brush dry for twenty-four hours, after it has been used, in a well-ventilated place; preferably not in the same holder with brushes used by others. Bristles which have not been bleached are usually stronger than bleached or white bristles.

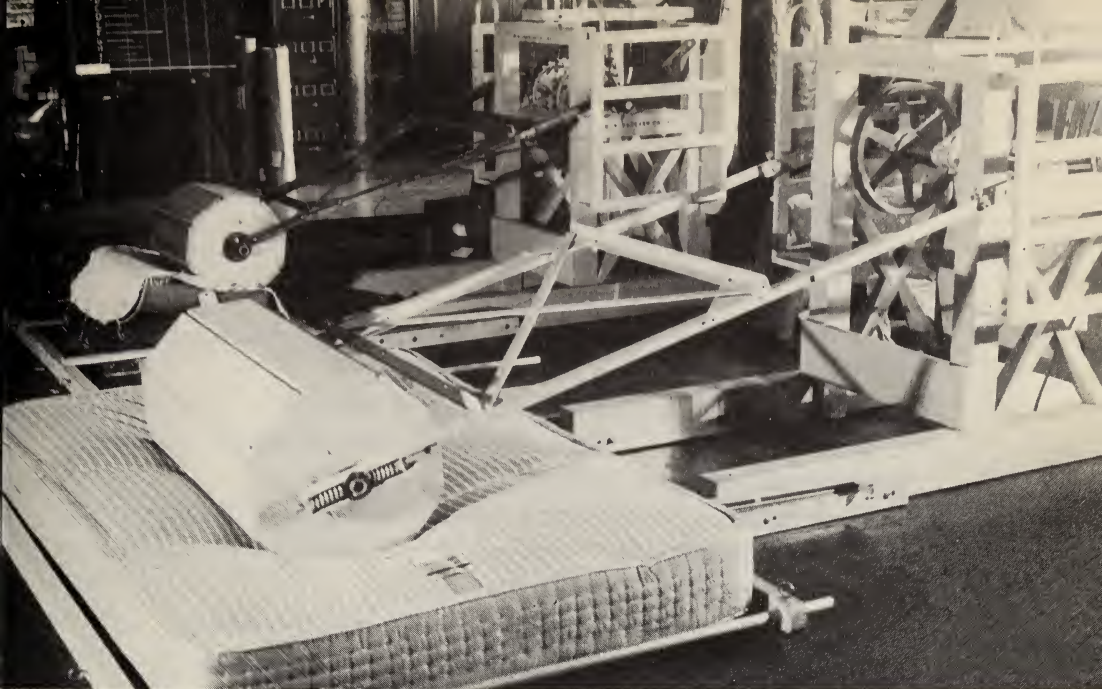
7. **Blankets.** The quality of two blankets can be compared by squeezing several thicknesses of each in the hand. The blanket which is most springy is likely to be made of the better wool. The quality of the nap can be tested by rubbing the blanket briskly with the palm of the hand. In a good blanket, lint will not come out when this is done. Another simple test is to pick up a blanket by the nap at a point somewhere near the middle. In a good blanket the nap will support the entire weight. Many similar hints are given in the Buying Guide described in this chapter.

## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. Wise buying helps to make whatever money you have last longer.





*Torturing the mattress to see how much wear and tear it will take.*

2. The first step in wise buying is to decide what you really want and need.
3. Make your purchase according to your purse.
4. Shop around before making your selection.
5. Ask for specific information before you buy.
6. Read labels carefully.
7. You will seldom get something for nothing.
8. Buy today what you can afford today.
9. The buyer pays a high rate of interest on installment purchases.
10. The government operates several agencies to serve the consumer.
11. *Consumer's Research* and *Consumers Union* supply information to help their members.
12. Look for the seals of approval awarded by legitimate testing services.
13. There are many simple experiments you can learn to use in order to become a wise buyer.
14. You are entitled to full value for every penny you spend.
15. Careful buying is not to be confused with stinginess.
16. In the world of today it is smart to be thrifty.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-13 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. You have just performed the seam test on a sample of material. What can you prove with this experiment?
2. Why bother with testing things you buy?
3. You have found a sample of material which is hard to tear. What does this tell you about the material?
4. A report in a *Consumers Union* Bulletin says that the tensile strength of a certain fabric is five pounds. Explain what this means.
5. When would you use the burning test?
6. Tell how you can distinguish between cotton and linen.
7. When would you use the lye test?
8. You expect to buy silk hose. Explain some of the precautions you will take to get good value.
9. What qualities would you look for in buying leather gloves?
10. What kind of bathing suit would you buy for best wear?
11. You are buying a pair of sun glasses. Explain how you would inspect them before buying.
12. The next time you buy a toothbrush, what will you look for?
13. Your mother takes you on a shopping tour for wool blankets. Tell her how to recognize a good wool blanket.

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

absorb	defects	fiber	knowledge
bleached	detailed	firmly	legitimate
blurred	determined	flaws	length
bristles	develop	generally	liquid
bulge	disappear	household	measuring
charred	experiments	irregular	mildew
circular	fabrics	its	odor

opposite	resistance	straight	toothbrush
process	rinse	strength	until
recognized	solution	suede	ventilated
require	specific	textiles	whether
resembles	steadily	thread	wringer

### THE FIRST OF THE THREE R'S—READING

acquaint	disappear	knowledge	recognized
briskly	distinguish	performed	recommended
circular	generally	preferably	squeezing
combination	grayish	process	thrifty
crushable	handle	protect	union
determine	its	purchase	weighted





### THE SECOND OF THE THREE R'S—WRITING

The four letters given in this exercise have exactly the same initial stroke. Care should be taken with the slant of loop letters; the down stroke of the loop should be a straight line.

In the letter *b* a slight retrace should be practiced in the finishing stroke. Keep the final downward stroke of the letter *k* parallel with the downward part of the loop.

Check your posture and position before writing the exercise. Give careful attention to the loop letters.

Write the specimen given in Chapter One and check carefully to note the progress you are making.

- |   |   |   |   |
|---|---|---|---|
|  |  |  |  |
| 1. <i>luxury</i>  | 6. <i>business</i>  |   |   |
| 2. <i>legal</i>   | 7. <i>handle</i>  |   |   |
| 3. <i>barter</i>  | 8. <i>harness</i>   |   |   |
| 4. <i>bulky</i>   | 9. <i>kindness</i>  |   |   |
| 5. <i>banner</i>  | 10. <i>knowledge</i>  |   |   |

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Prepare a chart showing the various tests you learned in this chapter. Set it up in this way.

### SIMPLE EXPERIMENTS

Name of Test	Purpose of Test	Main Steps	Observations	Conclusions
1. Pulling Test	1.	1.	1.	1.

- (b) Complete the chart.

### Job 2—

- (a) Collect several samples of materials which are supposed to be wool.
- (b) Apply the burning test to determine whether there is any cotton in the wool.
- (c) Write up the report in the form used in Job 1.

### Job 3—

- (a) Use some of the samples collected for Job 2.
- (b) Perform the breaking test.
- (c) Write up your report as in Job 2.

### Job 4—

- (a) Obtain several samples of linen materials.
- (b) Apply the breaking test to learn whether the sample is mixed with cotton.
- (c) Write up your report as before.

### Job 5—

- (a) Use some of the samples collected for Job 4.
- (b) Perform the ink or water test.
- (c) Prepare your report.

### Job 6—

- (a) Collect several silk samples.
- (b) Perform the burning test to decide whether you are working with pure silk or a mixture of cotton or rayon.
- (c) Prepare your report of the experiment.



Job 7—

- (a) Prepare a check list of the points to look for in buying silk stockings.
- (b) The next time some one in your family buys stockings, tell them to check off the points observed.

Job 8—

- (a) Prepare a check list to be used as a guide in buying leather gloves.
- (b) Do the same as in Job 7b.

Job 9—

- (a) Prepare a check list for toothbrushes.
- (b) Do the same as in Job 7b.

Job 10—

- (a) Select any article which you buy frequently and set up a check list to be used as a guide in buying.
- (b) Use the check sheet as in Job 7b.

Job 11—

- (a) For the next two weeks whenever your mother opens any canned goods while you are at home, tell her to let you inspect them.
- (b) Observe the contents carefully and prepare the following report:

WHAT IS IN THE CAN?

Article	Brand	Size of Can	Price	Quality on Label	Weight of Article	Weight of Sauce	Appearance	Taste
1. Tomatoes	Deliciouso	#2	.09	Grade A	15 oz.	5 oz.	ripe	excellent

Job 12—

- (a) Tell your mother that you will keep a record of stockings purchased for you.
- (b) Set up a stocking record in this way.

STOCKING RECORD

Kind of Stocking	Brand	Date First Worn	Store	Price	No. Times Worn	Date Last Worn

- (c) Keep this record for the rest of the term.

**Job 13—**

- (a) Go through Part Three of this chapter.
- (b) Prepare at least five questions on this material.



**THE THIRD OF THE THREE R'S—ARITHMETIC**

**Situation 1—**

- (a) Assume that your family spends \$25 a week for household expenses. How much does this average for one day? one month? one year? 15 years? 20 years?
- (b) Assuming that they spend \$35 a week, make the same calculations made in (a).
- (c) Do the same for \$50 a week.
- (d) During a period of ten years, how much more does the family in situation (b) spend than family (a)? How does family (c) compare with family (b)?

**Situation 2—**

- (a) In Situation 1a if your family can save 6 per cent on its expenditures, how much would the saving be for one day? one week? one month? one year? 15 years? 20 years?
- (b) Make the same calculations for the family in Situation 1b.
- (c) Do the same for the family in Situation 1c.
- (d) How does the annual saving of the family in Situation 1c compare with the family in Situation 1a?

**Situation 3—**

- (a) The cash record of the Brown family for last year shows the following weekly expenditures:

	1st week	2nd week	3rd week	4th week	5th week
January .....	\$62.00	\$28.50	\$26.75	\$29.30	
February ....	60.80	31.10	27.82	25.40	
March .....	62.40	29.20	28.50	22.50	\$25.30
April .....	60.20	32.50	29.65	27.40	
May .....	64.10	31.40	31.75	28.10	22.80
June .....	61.30	29.10	25.63	26.00	
July .....	62.50	28.90	32.81	29.59	25.40
August .....	60.60	26.20	26.92	24.78	
September ...	65.70	28.80	28.54	22.96	
October .....	60.90	25.30	27.43	27.82	
November ...	65.60	27.50	30.82	35.43	
December ...	70.40	29.40	32.77	38.60	45.90

- (b) How much did the Browns spend the first week of all months? the second week of all months? the third week of all months? the fourth week of all months? the fifth weeks? the total spent each month?
- (c) What was the total annual expenditure?
- (d) What was the average monthly expenditure?
- (e) What was the average weekly expenditure?
- (f) What was the average daily expenditure?
- (g) What was the spread between the largest total monthly expenditure and the smallest monthly expenditure?

#### Situation 4—

- (a) Imagine that you will earn \$80 a month from the time you are twenty until you are sixty. What will be your total earning power?
- (b) (1) Imagine that you will earn \$100 a month from twenty to thirty. (2) From thirty to thirty-five you will be increased to \$200 a month. (3) At thirty-five you will be raised to \$250 a month. (4) From forty to sixty you will receive \$300 a month. Total earnings?

#### Situation 5—

- (a) Your mother went shopping this morning. She compared the prices asked for articles in small containers and large containers. She decided to buy the following large containers. She asks you whether she did the wise thing.

## PURCHASES

Article	Cost per pound in large container	Cost per pound in small container	Amount of Saving
Olives .....	\$0.25	\$0.36	
Tuna Fish .....	.26	.36	
Pears .....	.07	.14	
Baking Powder .....	.12	.16	
Spinach .....	.06	.10	
Tomatoes .....	.07	.10	
Peaches .....	.14	.17	
Sugar .....	.06	.08	
Potatoes .....	.02	.03	

(b) What was her total bill, if she bought eight pounds of each article in the large container?

(c) How much did she save?

### Situation 6—

(a) The following prices are paid for listed articles when purchased in small quantities and large quantities.

### LARGE AND SMALL PURCHASES

Article	Large Package		Price per pound	Small Package		Price per pound	% Saving
	Size	Price per package		Size	Price per package		
Flour .....	24 lb.	\$0.72	\$0.03	5 lb.	\$0.20		
Butter .....	1 lb.	.37		¼ lb.	.10		
Oatmeal ...	48 oz.	.21		16 oz.	.08		
Mayonnaise	1 lb.	.24		8 oz.	.14		
Tea .....	8 oz.	.35		3 oz. balls	.30		

(b) In your workbook fill in the columns left blank.

(c) Calculate how much you save on each article if you buy the large package. Put into the last column the per cent of saving of the total expenditure for a pound of the article.

### Situation 7—

(a) Salesman Smoothy is persuading your father to buy a large



eight-cylinder car instead of a smaller, low-priced, six-cylinder car. He says that for only \$200 more your family can ride in style. He does not tell your father that the large car will only go ten miles on a gallon of gas, and will use one quart of oil every 500 miles. The low-priced car will ride fifteen miles on a gallon of gas and use a quart of oil every 1000 miles.

- (b) (1) Your father drives 15,000 miles a year. How much would the gas for the large car cost during a year if gas is eighteen cents a gallon? (2) The oil, if oil costs twenty-five cents a quart?
- (c) (1) How much would gas for the small car cost at the same price? (2) Oil?
- (d) Disregarding all other expenses, if your father drives a car four years how much more would the large car cost him (1) each year, (2) the four years?

#### Situation 8—

- (a) The members of your family, in shopping for the following articles, compare cash and installment prices.

#### CASH AND INSTALLMENT PRICES

Article	Cash Price	Installment Price	Cash Purchase Amount Saved	Cash Purchase Per Cent Saved
Lounge chair .....	\$25.00	\$ 30.00		
Radio .....	89.00	112.00		
Typewriter .....	75.00	90.00		
Refrigerator .....	69.00	83.50		
Sewing machine ..	44.00	55.00		

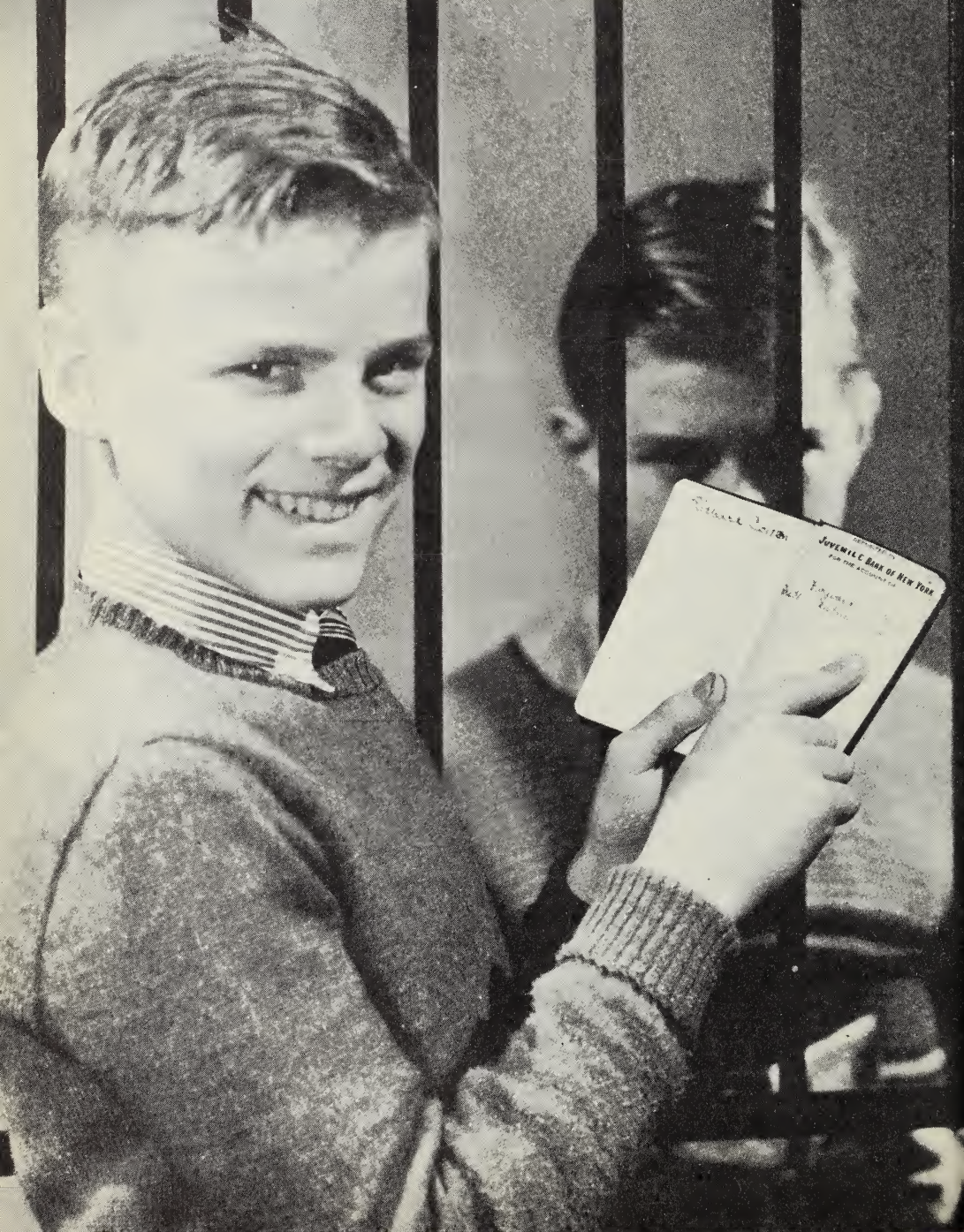
- (b) In your workbook complete the blank columns.
- (c) What would be the total cash price?
- (d) What would be the total installment price?
- (e) What per cent of the total cash price can your family save if they pay cash?

#### Situation 9—

- (a) A dealer offers your father a radio for \$120 cash, or \$11 down and \$10.75 a month for 12 months.
- (b) What per cent can your father save on a cash selection?



# TELLER





## IX

### IT IS WISE TO BE THRIFTY

**STOP! THINK!** *Can you answer these questions before you read the text?*

1. *What is the difference between stinginess, extravagance, and thrift?*
2. *Your brother has some extra money on hand and asks your advice about a safe investment. What would you tell him?*
3. *Is buying a home always a good investment?*

1. **Thrift.** You have heard some people referred to as “stingy misers” with great scorn. You have heard others called “extravagant spendthrifts” with equal scorn. Is there a happy medium? Yes. A person who is thrifty represents that happy medium. He spends liberally for the things required to satisfy his necessities, comforts, and even luxuries. He does not, however, spend so much on one thing that he has to skimp on others. He avoids waste. He lives within his present income and plans for the future. He can face the future cheerfully because he is in debt to no one. What he has is his own. If he cannot afford a car, he does not drive one. If he can afford a home, he owns one. He knows the value of money and knows how to spend and save for the things he wants most. He is indeed a fortunate individual.

You need not envy him, though, for you, too, can be thrifty. But you say that your mother calls you extravagant and wasteful. Perhaps you have never realized what waste is. You may never have stopped to think that when you used your books to mop up the floor, you were wasteful. The time when you carelessly dropped a tenpenny nail which later punctured a tire, you did not realize that you were wasteful. When you let the light burn all night in your room because



you were too lazy to get out of bed, you did not think of yourself as being wasteful, did you? The week you spent your whole allowance on a useless gadget, did you call yourself extravagant? When you refused to wear a good coat to school because you had a new one, did you feel guilty of extravagance? Of course not. Such things never entered your mind. Can you go on in this blissfully ignorant manner forever? Certainly, if you do not care whether you make a success or a failure of life. We shall assume, however, that you are anxious to succeed.

We have just considered the fact that the person who gets the greatest amount of satisfaction from life is the one who makes a habit of thrift. One does not become thrifty by merely wishing to be thrifty. A desire for a habit is not sufficient to develop the habit. We cannot emphasize too much that the only way to form a habit is by practice. The more you practice seriously and carefully, the sooner the habit will be formed.

Try to avoid all acts which are contrary to the rule of thrift. You are at the age when many habits are formed. Bad habits are easily acquired but it takes thought and energy to develop a good habit.



In developing the habit of thrift ask yourself such questions as: "Am I spending my time wisely? Am I getting the most out of my time? What can I do that will bring more satisfactory results for the time spent?" Before spending money, you should ask yourself: "Is it necessary that I make this expenditure? Can I get along without this item? Do I already have something that might satisfy this need?" At first this will be an effort and you will be inclined to forget. But, if you are persistent in its practice, it will soon become a habit. Only when it is a habit will you be entitled to think of yourself as a thrifty person.

*Thrift and health.* Because we are human beings, we differ from each other in many respects. One way in which we differ is in the quantity of energy which we have at our disposal each day. We should not waste this energy. It should be devoted to a worthwhile activity. Furthermore, we should endeavor to increase our daily supply of energy. This can be done by following several simple rules. Get plenty of sleep. Adults may find eight hours of sleep sufficient but growing boys and girls frequently require nine or ten hours. Eat the proper



foods. This means plenty of fresh fruit, green vegetables, milk, butter, eggs, and a very limited quantity of rich pastries and sweets. Dress properly for every occasion and so prevent illness. Avoid drafts and change wet clothing as soon as possible. Give immediate attention to any symptoms of approaching illness. Remember that, with the energy you have, you are going to earn money, or improve yourself for greater future earning power. Do not waste your energy. Keep healthy, for if your health causes you to lose time, you are in reality losing money. When time is lost, money is lost.

*Thrift and time.* Time is one of the most abundant and most valuable resources that every person has. Fortunately too, each one has the same quantity of it, twenty-four hours a day. Have you ever given very serious consideration to time, from the viewpoint of value? As a general rule, anything worth-while has taken considerable time to accomplish. Your favorite league batter has spent months in preparation for his star hits. The world's champion typist spent hours practicing on the typewriter. Doctors, lawyers, engineers, accountants, and teachers have spent years in studying beyond their high-school course for their respective positions.

The person who utilizes his time and does not waste it has the greatest chance for success in life. If you are to succeed, you must budget your time. Include in your budget sufficient time for study and self-improvement, for recreation, for service to others, and for sleep. Have something planned for every minute of the day. If you have a task to do, do not postpone it. Get at it immediately. Get it done. When all assigned tasks are accomplished and you have had your recreation, find something to do that will improve your knowledge and skill. Make



the most of the leisure time at your disposal today as well as in the future by resolving to spend every minute of it wisely.

*Thrift and materials.* For a long time, it has been realized by businessmen that waste is a cause of decreased profits and, in many cases, losses. As a result of this knowledge, experts have been employed to analyze the various methods of manufacture or business procedure for the purpose of eliminating waste either by employing new methods or revising old ones. Almost every large business establishment has its scientific laboratory where there is continual experimentation for the purpose of creating new products and seeking ways to use waste products profitably. It is estimated that

the steel companies of the United States spend ten million dollars every year in their experimental laboratories and that many other industries spend similar amounts. Thus we have stronger, lighter, and more durable metals for the manufacture of airplanes and automobiles. For the manufacture of wearing apparel we have artificial thread made from glass, wood pulp, milk, coal tar, and air which surpasses former threads in lustre and service. No longer must we depend on the pig for bristles to be used in the manufacture of hairbrushes and toothbrushes. A superior product can be made from coal, air, and water. Also, chemists have learned to solidify coal gases into a crystal-clear transparent product which resembles glass but which has a flexibility that glass does not have. This product, "Lucite," will transmit, even around corners, a cold light. Already use is being found for it in the manufacture of instruments used in the medical



*Believe it or not, these bristles are made from air, coal, and water.*



profession, particularly in dental surgery. These are just a few of the many new products created by patient study and research.

What relation does this have to thrift? All of this illustrates the practice of thrift by businessmen who realize that these new products are more efficient and less costly. They must constantly plan for the future or they will not advance.

Are individuals as thrifty as businessmen are? Houses are permitted to deteriorate for the want of repairs and paint. Automobiles depreciate for the need of repairs, touch-up paint, and simonizing. Farm machinery rusts beyond use in back of the barn. Road machinery depreciates along the road. Boys and girls leave their bicycles and skates outdoors to weather and to rust. In each of these cases we have examples of the waste of resources. One who has developed a thrifty way of living avoids this type of waste by taking care of materials which cost money, thereby prolonging their life and reducing the cost of replacing them.

*Thrift and money.* Many boys and girls, by the time they have reached the age of fourteen or fifteen, receive a definite al-

*After-school jobs may be stepping stones to success.*







*A pleasant way to earn some pin money.*

allowance of money to spend. The amount varies because of the varying needs of the individuals concerned. Some children have lunches to buy or bus fare to spend out of this allowance while others live near enough to school to be able to walk home for lunch. Energetic boys and girls find it possible to supplement their allowance with the money which they are able to earn. For the boy or girl who is really anxious to earn money, many opportunities exist. The neighborhood grocery and drug stores need boys to deliver orders. The barber shop needs a boy to sweep up and to shine shoes. The golf links need caddies. Newspapers and telegrams must be delivered, and money may be made by doing odd jobs such as cutting lawns and removing ashes. Girls may find their best opportunities as mother's helpers, taking care of young children. They also may help in stores and do light house work. There is opportunity for the boy or girl with the will to succeed.

Thrift with money begins the moment money is acquired. When one has money, the temptation to spend it is always present. Every normal individual has many more wants than he has money with which to satisfy them. Manufacturers of good things to eat are

clever in their methods of appealing to our natural desire for food. Manufacturers and distributors of novelties have an uncanny way of keeping their products ever present in our mind's eye so that we are tempted to cater to present wants rather than save for a future need which will bring greater satisfaction. A thrifty person saves a definite amount of his income for future needs. The larger his income, the more he should save.

2. **Thrift in the Home.** Of the one hundred and thirty million people in the United States at the present time, there are approximately forty million wage earners. These wage earners provide the income for the twenty-nine million families in the United States. Every family has certain needs which are referred to as the necessities of life. These necessities include food, clothing, shelter, running expenses, and medical care. Tremendous sums of money are spent by family managers for these needs. In addition to the necessities of life, every family must provide for savings, recreation, and advancement. How thrifty is your family in providing the necessities of life?



*Food.* The first necessity of life is food. Through carelessness this item may consume a large portion of the earnings whereas, with careful management, it will take only its just share of the income. Of necessity, families with small incomes must buy less expensive

foods. Here the mother must choose wisely to provide the family with nutritious foods at low cost. She must not only know the nutritive value of foods but also study the market and buy accordingly.

*Clothing.* Clothing is another necessity of life upon which unnecessary amounts may be expended or which, by careful planning, may be properly regulated. It is only natural that a person should like to dress well. It should be remembered, though, that one can dress becomingly without having an unreasonable assortment of expensive garments to wear. The important thing is to have clothes clean, well pressed, and suited to the occasion.

*Shelter.* It is essential that every person have a place in which to live. This place of residence may be anything from a single room in a tenement to a huge mansion on a large estate. The proportion of the family income spent for shelter varies with the desires of the family, and each is entitled to spend as much or as little as he chooses in line with our American standard of living.

If the home is owned by the family, the cost of shelter will consist of taxes, fire insurance, repairs or upkeep, interest on the mortgage (if any), and interest lost on the amount of the original investment.

If the home is rented, the cost will be the monthly rental in return for which the owner pays the taxes and keeps the property in repair. Whether or not the home is owned or rented, if it is so situated that it is necessary to pay bus or train fare to work, this additional expense should be added to the cost of shelter.

*Running expenses.* Such items of expense as the monthly cost of gas, electricity, telephone, laundry, coal, and water are included under the heading of running expenses. All of these items must be used with care so that they will consume as small a portion of the income as possible.

For instance, gas is wasted if foods are boiled too rapidly, if the flame laps up around the kettle, or if the teakettle is permitted to boil too long. Electricity is wasted by leaving lights on where and when they are not being used. Coal is often wasted by overheating the house and then permitting the heat to escape by opening the windows. Dripping faucets are the cause of much water waste. If we



are to have thrift in the home, each member of the family must first consider the causes of waste which increase running expenses and then help to keep these expenses at a minimum.

*Medical care.* There is no agreement as to how often a person should have a complete physical examination but it is possibly a good plan for growing boys and girls to have one every two years. The extent of physical disability from defective hearing, poor eyesight, glandular disturbances, and organic disorders can, many times, be materially lessened if detected in time. A visit to the dentist each six months is highly advisable. "Clean your teeth twice a day—and visit your dentist twice a year," is sound advice.

*Advancement.* Few people are content to remain in their present status of life, for each of us looks to a brighter future. Do you have plans for your future? How may your plans be realized? Are your plans within the family income or must you add to the family income by earning money yourself? Advancement covers money spent for books, recreation, travel, education, and the money we give to others. It calls upon our greatest sense of values to spend wisely for advancement. Remember, time marches on. Will you be in the front ranks or in the rear?

3. *Saving.* Few people have ever reached the front ranks who did not learn early in life the value of saving part of today's income, though it be but a small part, for the requirements and emergencies of tomorrow. Think of your needs today by all means. But also think of the days to come. When opportunity knocks at your door, will you have to say, "Go away, come again some other day. I haven't saved enough money to start this business or buy this property or take this course"? Or if a "rainy" day comes, will you be content to think of the good times you had when you spent all your money? An account in the savings bank will give you far more cheer and comfort.

As it is, you probably have little enough money at your disposal without worrying about savings. As soon, though, as you can possibly spare even a few cents by sacrificing some temporary luxury, you should start the savings habit if you have not already done so. You have heard the expression, "Tall oaks from little acorns grow."



The same is true about savings. Large bank accounts grow from small savings systematically and regularly set aside. An extra dollar carried in your pocket may tempt you to buy some useless luxury. The same dollar put in the savings bank will work for you at the current rate of interest. Work for your money and then put your money to work for you. Do you know that a deposit of one dollar a month, with interest at only 2 per cent, will amount to \$63.14 in five years, \$133 in ten years, and \$210.05 in fifteen years? It takes money to make money. How can you save?

*School savings bank.* Does your school have a school savings bank? If so, have you opened an account in which you can deposit your funds? This makes it possible for you, while still in school, to save a portion of the money you earn or receive toward some future need. Ask your teacher what provision for saving is made in your school.

*Savings banks.* In every community there is at least one bank. The larger the community the more banks there are. Some of these banks are *all-purpose banks*. That is, they have a trust department, a savings department, and a commercial department. Others specialize in one or more of these departments. Just now we are interested in the savings bank or the savings department of a bank. The most convenient way for students to save money is through the school savings bank. The most convenient way for others to save money is by opening a savings account. Most banks permit you to open an account with a small amount of money.

To open a savings account, it is necessary to fill out a signature card at the window of the savings teller, to deposit the money, and to receive, as evidence of the deposit, a passbook into which the amount has been recorded and initialed by the teller. Each time an additional amount is deposited, a deposit ticket must be filled out and presented to the teller together with the passbook and the money for deposit. The new deposit is added to the previous balance and the total is recorded in the passbook by the teller.

Banks pay *interest* on money so deposited. In many banks throughout the country, this interest rate is rather low. This should not be discouraging because the time, no doubt, will come when

interest rates will be increased. We should not lose sight of the fact that not only is it convenient to put our money in a savings bank but it is one of the safest places for it. In all national banks and in many state banks, the United States Government insures deposits up to \$5000.

In case of an emergency for which the money is needed, the depositor may withdraw all or any part of the savings with comparative ease. Although banks make the reservation that a thirty- to sixty-days' notice must be given for withdrawals, this is just a matter of protection to themselves and is rarely, if ever, enforced. By presenting the passbook and a withdrawal slip properly filled out, most banks permit immediate withdrawals. Investigate before you invest.

*Savings clubs.* An additional service which many banks offer to encourage people to save systematically for a definite purpose is the savings-club plan. You have heard of Christmas Clubs and Vacation Clubs. These clubs offer people an opportunity to save so that they will have funds for their Christmas shopping or for their annual vacation. Also, many people take advantage of these plans, not only for Christmas shopping or vacation expenses, but to save systematically for the purchase of an electric refrigerator, new stove, radio, or a similar article which necessitates a sizable outlay of money. Amounts as little as twenty-five cents a week may be deposited and, at the end of a specified length of time (usually fifty weeks), the total amount deposited is available for the depositor. Since most banks pay either a very small rate of interest on club deposits or none at all, it is wiser to open a regular savings account if you can trust yourself to save regularly.

*Postal-savings banks.* The United States Government encourages its citizens to be thrifty by offering them very convenient depositories for their funds at most post offices. Anyone ten years of age or older may open an account by depositing a dollar or more. One of the requirements states that amounts deposited must be in even dollars. However, you can start to save before you have a dollar by purchasing postal-savings stamps at ten cents each and when a dollar's worth is acquired, you may surrender them and transfer the amount to a postal-savings account. Interest is paid at

the rate of 2 per cent on these postal-savings deposits except in those states where the state banking commission has decreed that state banks must pay a smaller amount on savings accounts. You will not be able to deposit more than \$2500 in a postal-savings account. Investigate before you invest.

*Baby bonds.* Another savings plan sponsored by the United States Government is the sale of *baby bonds* or *savings bonds* which are government obligations in small denominations designed especially to encourage savings by people of limited financial income. After you have accumulated \$18.75 in a postal-savings account or in any other way, you may buy one of the Savings Bonds at any post office. If you hold the bond for ten years, you will receive \$25 in return for the \$18.75. These bonds are issued by the Government in five denominations.

<i>Original Price</i>	<i>Maturity Value after 10 years</i>
\$ 18.75 .....	\$ 25.00
37.50 .....	50.00
75.00 .....	100.00
375.00 .....	500.00
750.00 .....	1000.00

Sixty days after a bond has been issued, it may be redeemed if the buyer needs his money. After one year a bond begins to increase in value so that the owner is always sure of obtaining his original investment plus a small return if he needs money in a hurry. All bonds increase in value  $33\frac{1}{3}$  per cent or one third of the original cost during the ten-year period of the investment. This increase from \$18.75 to \$25 represents an income of 2.9 per cent compounded semi-annually. Since the bonds are government obligations, they are exempt from Federal and local taxation. This may not mean anything to you now but some day when your income reaches four and five figures, tax exemption will be a decided inducement. The Treasury Department has set up a *Regular Purchase Plan* for the benefit of people who desire compulsory savings plans. Investigate before you invest.

*Savings and loan associations.* If you cannot trust yourself to save regularly, you will find a share account in a Federal Savings and Loan Association an excellent form of compulsory savings. The Federal Loan and Savings Associations are under close governmental supervision. The funds are used for well-secured loans on homes. Accounts are insured up to \$5000.

You may buy shares costing \$1.00 a month which must be paid for each month. Your shares earn dividends ranging from 2 to 5 per cent a year. Shares usually mature in 11½ or 12 years. There is generally an extra bonus of one per cent if you complete the share contract without withdrawing your money. If you find it necessary to withdraw any or all of your funds at any time, you may do so with dividends added for the period of investment. A Loan and



Savings Association is a form of co-operative bank in which you buy shares rather than deposit money as in a savings bank. Investigate before you invest.

*Building and loan associations.* A building and loan association operates very much like a Federal Savings and Loan Association except that it is not supervised by the Federal Savings and Loan Insurance Corporation. Its chief purpose is to encourage people to invest their money in building and loan associations so that others may borrow the funds for home building. A person may become a



member of a building and loan association by purchasing one or more shares of its stock. Upon buying one share of stock, a certificate is received. The member agrees to pay a certain sum each month called dues. In most associations the dues amount to one dollar for each share purchased. When the monthly payments plus the accumulated interest amount to two hundred dollars the share is said to have *matured* and the depositor receives the cash. The period of time that it takes for a share to mature is usually between eleven and twelve years. In other words, if you save a dollar a month for about eleven years, you will accumulate a \$200 fund.

How does a building and loan association lend money? The process is somewhat different from that used by other institutions. Suppose your father wishes to purchase a house that is for sale for \$5000. Your father, through other means of saving, has available \$2000 of his own money but needs an additional \$3000 ( $\$5000 - \$2000 = \$3000$ ). Being acquainted with building and loan associations, he feels that this money may be obtained from the local association so he makes formal application for such a loan. At the regular meeting of the officers of the association, the application is considered and the property is appraised. Since the house is truly worth \$5000 and your father is asking for a loan equal to  $\frac{3}{5}$  ( $\frac{\$3000}{\$5000} = \frac{3}{5}$ ) of its value, the officers of the association consider it a good risk and therefore approve the loan. Your father subscribes to fifteen shares of building and loan stock. The dues on this stock amount to one dollar per month per share ( $15 \times \$1.00 = \$15$ ). He must also pay interest on the loan at the rate of 6 per cent a year ( $\$3000 \times .06 = \$180$ ). This also amounts to fifteen dollars per month ( $\$180 \div 12 = \$15$ ). Altogether your father's monthly payment will be thirty dollars ( $\$15 + \$15 = \$30$ ). When his shares mature they will be worth \$3000 and this amount is used to cancel his indebtedness. Your father will then own his home free of debt. In the meantime, in order to protect the building and loan association, he is required to give the association a mortgage on the property. This mortgage serves as security until the loan is paid in full.

Let us review the arithmetic your father must know. First, he

must find the number of shares each worth \$200 for which he must subscribe ( $\$3000 \div \$200 = 15$ ). Therefore, he must buy fifteen shares. He must then calculate his monthly interest. The interest per year is  $\$300 \times .06$  or \$180. Consequently, the interest each month is  $\$180 \div 12$  or \$15. By adding the interest and the dues, your father finds that he must pay \$30 per month ( $\$15 + \$15 = \$30$ ). It is well to note here that some building and loan associations charge a premium of ten cents per share for the privilege of borrowing. Fines of five cents per share per month are frequently made because of late payment of dues. Before saving in a building and loan association, it is well to investigate the strength and reputation of the local building and loan association. Investigate before you invest.

*Credit unions.* A credit union is another form of co-operative savings association. It may be started by any group of people who have common interests. Your teachers may form a credit union. The members of your church or the people in your town may form a credit union. The purpose of the credit union is to provide funds at a low rate of interest for the benefit of its members who find it necessary to borrow. The savings deposited by some of the members are loaned to other members only. A credit union may not charge more than one per cent a month on the unpaid balance. This is a low rate of interest for borrowers who need long-term loans and who do not have adequate security to put up as collateral (guarantee). The credit union lends on the basis of character rather than security. Credit unions are also under government supervision and provide a safe investment for members, yielding from 3 to 6 per cent interest a year. At the same time those who save are helping their fellow members. Investigate before you invest.

4. **Home Ownership.** After your father has put aside in a savings fund sufficient money to take care of future needs, he may be interested in other forms of investment. This assumes that he has protected his dependents against possible loss by carrying insurance. The first two cornerstones of a sound investment program are savings and insurance. A person has no right to consider other forms of investment until his savings account is large enough to act as a reserve (protection) against unforeseen developments and until he also



carries adequate insurance. If more people kept this in mind, we would not find so many elderly men who were once economically independent, living on park benches or standing in bread lines. Resolve now that you will plan carefully and wisely to protect yourself against want later in life.

A sound program of investment provides for home ownership as the third step if it is possible or advisable to settle down in a certain community. At some time or other, every family has considered owning a home. This may be looked upon as an investment and, depending upon circumstances, may prove to be a profitable investment. Since this is perhaps the largest single investment that a family is likely to make, and since it involves many factors such as taxes, insurance, interest on investment, interest on the mortgage, repairs, upkeep, and depreciation, extreme caution should be used.

Whether it is advisable for a family to buy a home depends entirely upon the family itself. Under some circumstances it may be more advisable to pay rent. Under other conditions it may be best to purchase a home. When renting a home, the amount of money which has to be paid each month is a fixed amount. Since your father

*Every man's home is his castle.*



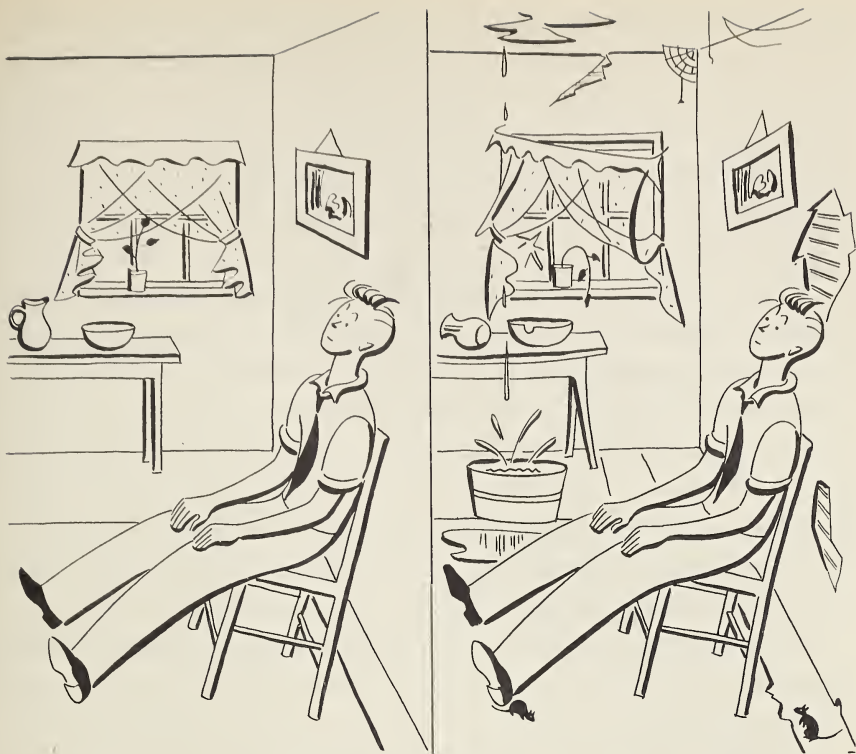
knows exactly how much of his budget he can allot for shelter, it enables him to rent accordingly. The owner of the property has the responsibility of paying the taxes and insurance and keeping the building in repair. He also has his money invested and must run the risk of loss. The tenant is at liberty to move, should circumstances warrant moving, with little or no difficulty. This is a decided advantage in renting. Should there be a change of position, a need to live near a high school, or grade school, it sometimes is most advisable to move. This cannot be done so readily when the home is owned. The real-estate market is not always a favorable one in which to sell and to do so means that the price must be lowered considerably.

Let us consider some of the fixed or constant charges in owning a home. Perhaps the largest yearly expense item is taxes. The amount of taxes to be paid depends upon the assessed valuation (estimated value) of the property and the local tax rate. These items vary with every community but it is safe to say that the annual amount of tax to be paid will be approximately 2 per cent of the value of the property.

The second item to consider is the amount of insurance to be paid. This is an item somewhat smaller than taxes but none the less important. Insurance is discussed in another place, so it is sufficient to say here that this insurance is protection against loss by fire. The amount of premium to be paid for insurance is determined by the original cost of the house, the kind of material of which it is composed, the kind of roof it has, the nearness and kind of surrounding buildings, and the fire-protection facilities provided by the community. Any fire-insurance agent can quote the fire-insurance rate on any house in his territory.

Another item of expense in owning a home is the upkeep of the property. Property soon deteriorates if it is not given good care. This means that, from time to time, the property will need to be painted. The roof may leak and will need repairing. Walls may need repapering and the woodwork redecorating. Occasionally the floors will need refinishing and the heating plant will need repairing. Faucets may leak and drainpipes clog. These examples illustrate but a few of the items which call for expenditures when owning a home.





The cost of maintenance will vary, of course, depending upon the care which the family exercises in using the property and the extent to which the owner is able to make his own repairs and do his own painting. Many people who own property derive a great deal of satisfaction from caring for it.

All the items of expense have not been mentioned as yet. Even though a house is kept in first-class condition, both inside and outside, it gradually becomes less valuable. This decrease in value, because of wear and tear, is called *depreciation*. One of the greatest causes for depreciation of homes is lack of care. No doubt, the second greatest cause is time and the changes it brings in the style of homes and in improvements in building materials and fixtures. As surely as a homeowner has to pay taxes so does he have to suffer loss because of the decrease in value of his home.

Since we are considering the fixed or constant cost in owning a home, let us not overlook interest. If it is necessary to borrow money

in order to buy the home, the interest on this borrowed money must be paid and is rarely overlooked when considering the cost of owning a home. Frequently, however, the one who has invested in a home overlooks the interest that his money would be earning if it were invested in something else. Whatever this loss of return on investment is, it should be considered a part of the cost of owning a home.

Let us profit by Mr. Doubtful's experience in determining whether he should buy a home. Mr. Doubtful was living in an apartment and was paying forty-five dollars a month rent. His heat and water were furnished and his electric refrigerator was operated at no additional cost to him. He was offered a home in one of the suburbs at a cost of \$5500. Mr. Doubtful estimated that the lot was worth \$1000 and the house \$4500. Mr. Doubtful had \$3000 available to invest and could obtain the balance of \$2500 at 6 per cent interest from a local bank, giving a mortgage on the property.

To make a comparison, Mr. Doubtful put down the following figures:

Taxes .....	\$110
Insurance (prevailing rate, \$4000 coverage) .....	17
Upkeep (estimated annually) .....	60
Depreciation (2% annually) .....	90
Interest on mortgage (\$2500 @ 6%) .....	150
Interest lost on investment (\$3000 @ 2½%) .....	75
Coal (8 tons @ \$11 per ton) .....	88
Water (annually) .....	12
Commutation (additional cost, \$7.00 per month) ..	84
Electricity (additional cost, \$2.00 per month) ....	24
<hr/>	
Yearly cost if house is purchased .....	\$710
Yearly cost in apartment ( $\$45 \times 12$ ) .....	540
<hr/>	
Additional yearly cost .....	\$170

Realizing that there was a considerable difference between his present cost (the low rent) and the amount he would have to pay should he purchase the house, Mr. Doubtful decided that this home

was too costly for his circumstances. Anyone seriously considering the purchase of a home should make a comparison between the cost of owning and cost of renting. Only by doing this can he be sure that he is making a wise investment. Investigate before you invest.

5. **Good Investments.** For your sake, let us assume that your family savings account has reached a respectable figure. Your father carries adequate insurance. You own your home. In addition, your father has some surplus money which he would like to put to work at a higher rate of return than he receives from his other investments. Is it wise to seek additional forms of investment? Certainly, if your father plans his program carefully and investigates before he invests. In making any investment he should consider its safety, its return, and its cash-disposal value.

*Bonds.* Keeping these factors in mind, your father is considering the purchase of bonds with some of his surplus funds. What is a bond? When our government or large business firms require huge sums of money to pay for long-term building programs, improvements, repairs or additions, they borrow the money from investors who have surplus money to lend. The money is usually borrowed for a long term of years and is to be repaid at a definite future time. Interest at a fixed rate is paid at stated intervals. The contract given to the lender by the borrower is called a *bond*. Bonds are issued to build bridges and tunnels; railroads issue bonds for the purpose of obtaining money to buy rolling stock; large industrial corporations and public utilities issue bonds to obtain money for erecting new buildings.

These bonds are issued in denominations of \$100, \$500, and \$1000 and are generally secured by a mortgage on the property for which they are issued. Government bonds are secured by the credit of the government. Anyone who buys a bond becomes a creditor of the issuing company.

A bond issue is sold through a bonding house. That is, the bonding house buys the bonds and then sells them to investors. There are billions of dollars invested in bonds. For the convenience of investors, bonds are sold on the stock exchanges. This is called the bond market.

Before investing in bonds, it is well to seek the advice of a competent banker or investment broker. Investigate before you invest.

*Mortgages.* Should a person owning a home be in need of money, he may borrow it by offering his property as security for the debt. If he does not pay the debt, his property will be sold by the lender to pay the debt. This is rather a technical procedure. In order to make it legal, the borrower (*mortgagor*) of the money must give a *mortgage* to the lender (*mortgagee*). The mortgage sets forth the amount of the loan, the terms under which it is to be repaid, and gives the lender the right to take the property through *foreclosure* if the loan is not repaid according to the terms.

A mortgage usually pays interest at the rate of 5 per cent or 6 per cent and is a good investment if the loan is not more than 60 per cent of the value of property which is desirably located. Banks and insurance companies have large sums of money invested in mortgages. Mortgages run for a period of years and are therefore not easily converted into cash in case of necessity. People with small amounts of money to invest should look for other types of investments because the legal procedure pertaining to mortgages is quite complicated. The average person knows little about deeds, title searches, and foreclosure proceedings. Investigate before you invest.

*Stocks.* Let us suppose that your father has purchased some good bonds and mortgages which he estimates will yield a small but steady income. But he wants an additional investment to bring a larger return. So he decides to consider stocks.

*Stock* represents ownership in a corporation. When three or more individuals wish to organize a business they may make it a partnership or a corporation. If they decide that it shall be a corporation, application for a charter must be made to the secretary of the state in which the corporation is being formed. If the business is legal and desirable, the charter will be granted. This charter permits the corporations to issue a maximum amount of stock. In order to finance the business, this stock is sold to anyone interested in buying. If 500 shares are sold, each share represents  $1/500$  ownership of the business. A person owning 10 shares would own  $10/500$  or  $1/50$  of the business.





*The floor of the New York Stock Exchange during a period of heavy trading.*

In order that shares of stock may be conveniently available to those who have funds to invest, there are in most large cities markets known as *stock exchanges*. These markets are not only of great convenience to those who wish to buy stock but also to those who wish to sell. The New York Stock Exchange is the largest stock market in the world.

Since the stockholder is actually an owner of the business, he will receive a return on his investment only if the business operates at a profit. All of the other expenses, including interest on bonds, must be paid first. If any profit remains, it will be distributed to the shareholders in the form of *dividends*. The income on stocks is not as definite as on bonds. Therefore, there is usually a greater element of speculation or risk involved in the purchase of stocks. Bondholders must receive their fixed-interest payments. Shareholders receive dividends only if and when they are declared by the Board

of Directors. There are of course many gilt-edged (highest grade) stocks as well as many which are highly speculative. Investigate before you invest.

## REFRESHING YOUR MEMORY

Some things to remember in this chapter:

1. It is wise to be thrifty rather than stingy or extravagant.
2. Thrift can be practiced with time, health, materials, and money.
3. Thrift is a habit, a way of living.
4. Additional energy results from exercising thrift in relation to health.
5. You have twenty-four hours a day to utilize or waste as you please. A minute wasted can never be recovered.
6. Industry exercises thrift by conserving natural resources and developing artificial substitutes.
7. The home may be the scene of many wasteful practices.
8. The necessities of life include food, clothing, shelter, medical attention, and running expenses.
9. Provisions for advancement, recreation, and savings are almost as important as the necessities of life.
10. Savings regularly and systematically set aside accumulate rapidly.
11. Every person has many methods of saving at his disposal.
12. Home ownership should follow the accumulation of a savings fund and adequate insurance.
13. Home ownership involves many factors which should be carefully considered before the purchase of a home.
14. Good investments should possess certain qualities.
15. Bonds are long-term loans. The corporation is the borrower and the bondholder is the lender.
16. Mortgages are usually safe investments but are not easily converted into cash in case of necessity.
17. Stocks represent ownership in a corporation. Any shareholder is a part owner.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-26 are placed in a box. Each

contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Distinguish between stinginess, extravagance, and thrift. Give an illustration of each.

2. A certain person is referred to as being "thrifty." What characteristics does he possess to deserve this compliment?

3. Tell the class of at least five instances of waste which you have noticed in your everyday life.

4. To what do people refer, when they speak of the *necessities of life*?

5. When is the best time for a person to begin the practice of thrift? Why?

6. Name and illustrate four things with which we must be thrifty.

7. Tell about three suggestions which can be used to increase your energy.

8. The class is interested in hearing of at least five ways in which boys and girls of your age can earn money.

9. Why do you, as well as most other people, find it difficult to save?

10. Do you make the best possible use of your time? Explain.

11. Name at least five artificial products which have been developed to replace or conserve natural resources.

12. What are some items which make up your family budget?

13. A friend of yours says, "Why bother saving? No one knows what tomorrow will bring." Do you agree with him? Discuss.

14. You have heard your brother talk about *baby bonds*. Discuss.

15. A Christmas Club is a group of individuals who meet every year at Christmas time. True or false? Why?

16. A Building and Loan Association is engaged in the actual process of building houses. True or false? Why?

17. What is a Credit Union, and how does it operate?

18. There are many factors to be considered before buying a home. Discuss.

19. You are having an argument with a friend about the advisability of home ownership. Give the arguments on both sides.

20. You are interested in helping your brother to make some investments. Discuss the qualities which you will seek in a good investment.

21. Distinguish between bonds and stocks. Give the class a little information about each.



22. What do you consider to be an ideal investment program for a person earning \$50 a week, who has \$1500 in his savings account, and supports a family of three people?

23. How does the United States government encourage its citizens to be thrifty?

24. What is *depreciation*? Illustrate.

25. Your friend is a bondholder in a certain corporation and you are a stockholder in the same corporation. Are your interests in the corporation the same?

26. What do you think of Shakespeare's advice, "Neither a borrower nor a lender be"?

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

accumulated	disability	gear	procedure
acquired	durable	guilty	referred
analyze	eliminates	impaired	sacrificing
approximately	emergencies	indebtedness	signature
assortment	emphasize	initialed	solidify
bristles	energetic	laboratory	specialize
champion	excesses	lustre	sufficient
commutation	expenditure	materially	supervision
comparatively	experimentation	maximum	supplement
debt	faucets	minimum	technical
decreased	flexibility	mortgage	tenement
depositories	gadget	portion	tremendous

## THE FIRST OF THE THREE R'S—READING

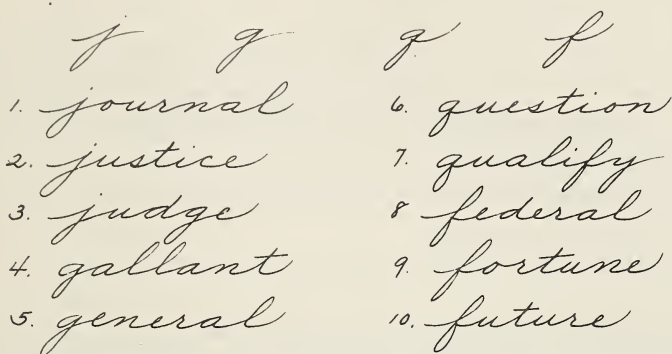
artificial	depreciate	nutritious	semiannually
assessed	deteriorate	peculiar	status
collateral	dividends	persistent	symptoms
compounded	envy	punctured	systematically
conservatively	liberally	resources	thrift
converted	maturity	revising	utilizes



## THE SECOND OF THE THREE R'S—WRITING

This exercise contains four lower loop letters, two of which loop to the left and two to the right. Care should be taken to keep the backs of the loops straight and in each case to have them close at the line of writing.

Are you tracing the single letters with a dry pen or with a sharp point so that you may acquire the *feel* of the letter? Check your posture and position and make sure that your nails are gliding across the paper. Then write the words carefully and make sure that you can spell all of them correctly.



## BUILDING BUSINESS HABITS

### Job 1—

- (a) Review the material on thrift.
- (b) Make a check list of the characteristics of a thrifty person. Set it up in this way.

### THRIFTINESS

Qualities of Thrift	My Rating

- (c) Rate yourself.

### Job 2—

- (a) You are now a detective in search of *waste*. For the next day or two, keep your eyes open for evidence of waste at home, in school, and in your community.

- (b) Make a list of the extravagances and waste noticed under each of the three headings: home, school, community.

Job 3—

- (a) Review the material on thrift and health.
- (b) Make a check list of thrifty health-habits similar to Job 1b.
- (c) Rate yourself in this respect.

Job 4—

- (a) Study the information on thrifty time-habits.
- (b) Make a check list of thrifty time-habits similar to Job 1b.
- (c) Rate yourself in this respect.

Job 5—

- (a) Investigate the new artificial products created by science and industry to increase thrifty use of materials. The science section of your Sunday paper, or any science magazine will be useful in this connection.
- (b) Prepare a class report of your investigation. Make it interesting and not too technical.

Job 6—

- (a) Study your own and your family's money management.
- (b) Make a list of your unnecessary and wasteful expenditures of money.
- (c) Work out a plan of stopping these money "leaks."

Job 7—

- (a) Review all the material on savings.
- (b) Prepare a chart in this way.

### METHODS OF SAVING

Method	Description	Approximate Interest Rate	Advantages	Disadvantages

- (c) Complete the chart.

Job 8—

- (a) Visit your post office and inquire about postal-savings accounts and savings bonds. Ask for literature on the bonds.

- (b) Prepare a class report on savings bonds as a method of regular savings for a person with a limited income.

**Job 9—**

- (a) Visit your local banks and inquire about the Christmas Club and other club-savings plans in your community.
- (b) Make a class report telling exactly how these plans operate and the amount of interest paid on each plan.

**Job 10—**

- (a) Go to the office of a building and loan association in your community. Find out the following facts:
  1. The maturity value of each share of building and loan stock.
  2. The amount of dues per share.
  3. How frequently dues are paid.
  4. The date when the next series of shares matures.
  5. The maturity value of the entire issue which is maturing.
  6. The time in years and months that it has taken these shares to mature.
  7. The date when a new series of shares will be offered to the public.
  8. The names of the officers and directors of the association.
- (b) Prepare a class report on this information.

**Job 11—**

- (a) Write to the Credit Union National Association, Madison, Wisconsin, or to the Credit Union League in your state for information on Credit Unions.
- (b) Prepare a class report on Credit Unions.

**Job 12—**

- (a) Visit your local Federal Savings and Loan Association if one exists in your community or write to the Federal Savings and Loan Insurance Corporation, Washington, D. C., for information.
- (b) Give a class report on Federal Savings and Loan Associations.

**Job 13—**

- (a) Review the material on home ownership and visit a local builder or real-estate agent.
- (b) Make a list of the factors to consider in buying a home.

- (c) Prepare a chart showing the advantages and disadvantages of home ownership in this way.

### HOME OWNERSHIP

Characteristics	Advantages	Disadvantages
-----------------	------------	---------------

- (d) Complete the chart.

#### Job 14—

- (a) Review the material on investments.  
(b) Prepare a chart in this way.

### INVESTMENTS

Investment	Description	Advantages	Disadvantages
------------	-------------	------------	---------------

- (c) Complete the chart.

#### Job 15—

- (a) Use the investments listed in Job 14b.  
(b) Rate each investment on the basis of the qualities a good investment should possess.  
(c) Set up a chart to show this information.

#### Job 16—

- (a) Analyze the financial position of your family.  
(b) Using the information given in this chapter set up an ideal investment program for your family.  
(c) Discuss the plan with your father.  
(d) Compare your program with the programs submitted by other students.

#### Job 17—

- (a) Write to a large corporation or an investment broker for circulars of information on stocks and bonds.  
(b) Set up a chart describing stocks.  
(c) Do the same for bonds.  
(d) Compare stocks and bonds as investment possibilities.



## THE THIRD OF THE THREE R'S—ARITHMETIC

### Situation 1—

- (a) Your father has been complaining about extravagance and waste in the use of electric lights and gas at home. He claims that your family wastes at least one-half a kilowatt-hour of electricity and twenty cubic feet of gas daily.
- (b) Assuming that the electric rate in your community is \$.06 per kilowatt hour, how much electricity is wasted in one week?
- (c) The gas rate is \$.11 per hundred cubic feet. How much gas is wasted in one week?
- (d) Calculate the value of electricity wasted in one month.
- (e) Calculate the value of gas wasted in one month.
- (f) Calculate the value of gas and electricity wasted in one year and in ten years.

### Situation 2—

- (a) Your sister tells you that she loses about eight days' salary a year on account of illness. She receives \$27 a week for a six-day week.
- (b) Calculate her annual sickness loss.
- (c) What per cent of her annual salary is this loss if she receives a two-weeks vacation with pay every year?
- (d) Calculate her loss if she works for seven years before she marries.

### Situation 3—

- (a) Your mother is complaining because she claims that you waste at least one and a half hours a day just "hanging around the house" without doing anything.
- (b) How many hours do you waste in a week?
- (c) Hours wasted in a month?
- (d) Hours wasted in a year?
- (e) Hours wasted during four years of high school?
- (f) If you can earn twenty cents an hour, how much money do you waste in one year?

### Situation 4—

- (a) Assume that your family owns a house which requires nine tons of coal a year for heating purposes. The price of coal is \$8.40 a ton in July and \$9.80 a ton in October.
- (b) Calculate the cost of coal if purchased in July.
- (c) Calculate the cost of coal purchased in October.

- (d) Amount saved by early purchase?
- (e) Per cent saved?
- (f) If your father borrows the money necessary to buy the coal in July for three months at 6 per cent, how will he make out on the deal?

#### Situation 5—

- (a) Assume that your allowance is \$1.50 per week. You earn \$1.25 a week by doing odd jobs. Your expenses include: car fare to school \$.10 per school day, lunches \$.19 per school day, miscellaneous items average \$.30 per week. You deposit \$.50 each week in the school savings bank.
- (b) Total weekly income?
- (c) Total weekly expenditure?
- (d) How much remains for recreation and advancement?
- (e) What percent of the total income is saved?
- (f) If you save the same \$.50 every week during your four years of high school, how much will you have in your school savings fund?

#### Situation 6—

- (a) Your brother is impressed with your story of United States savings bonds or baby bonds. He buys one \$18.75 bond every month for ten years.
- (b) Total investment?
- (c) At the end of ten years, your brother begins to receive \$25 a month for ten years. Total receipts?
- (d) Amount of interest?
- (e) Interest rate?

#### Situation 7—

- (a) The facts are the same as in Situation 6a except that your brother buys a \$75 bond every two months for ten years.
- (b) Total investments?
- (c) At the end of ten years he receives \$100 every second month. Total receipts?
- (d) Interest rate?

#### Situation 8—

- (a) Assume that your father borrows \$4000 from the local building and loan association to buy a house. The association charges

6 per cent per year interest and a premium of \$.10 per share a month. The value of each share is \$200.

- (b) How much interest will your father pay per month for the first year?
- (c) How many shares will your father buy to repay his loan?
- (d) Total monthly payments including shares, interest and premiums?

#### Situation 9—

- (a) Your uncle is renting a house and is paying \$35 a month rent. There is a \$4000 house-and-lot for sale across the street which is similar to the one your uncle is now renting. Your uncle estimates that the house is worth \$3200 and the lot \$800. He can buy the property by paying \$1500 down and giving a  $5\frac{1}{2}$  per cent mortgage for the balance. The tax collector tells your uncle that the taxes are \$80 a year. Your uncle estimates that upkeep will cost him \$40 a year, that the house will depreciate or decrease in value at the rate of 2 per cent a year. The loss on his investment he calculates at  $2\frac{1}{2}$  per cent a year.
- (b) Calculate the annual cost of renting the house.
- (c) Calculate the annual cost of owning the house.
- (d) Annual difference between renting and owning?

#### Situation 10—

- (a) Assume that you have \$1000 to invest. You can invest it as follows:

Savings Banks in your state pay .....	$1\frac{1}{2}\%$ interest
Postal Savings .....	2 %
U. S. Savings Bonds .....	2.9 %
Federal Savings and Loan Shares .....	$3\frac{1}{4}\%$
Building and Loan Shares .....	$3\frac{1}{2}\%$
Credit Unions .....	5 %
Mortgages .....	$5\frac{3}{4}\%$
U. S. Government Bonds .....	2.6 %
Domestic Bonds .....	4.8 %
Foreign Bonds .....	6.3 %
Stocks .....	5.9 %

- (b) Calculate the annual income on each type of investment.
- (c) Total earnings if you invested \$1000 in each?
- (d) Average per cent of earnings on your \$11,000 investment?







## X

### PROTECTION AGAINST LOSS—INSURANCE

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *What is insurance?*
2. *What kind of insurance does your father carry? Why?*
3. *In your opinion, is your father carrying the best kind of insurance to meet his needs?*

1. **Importance of Insurance.** Your father works to take care of your family. Suppose something happened to him which would suddenly cut off this income forever. Your family would probably be in desperate need. Any savings which he had accumulated might soon vanish and you would then have to lower your standard of living in order to survive. Have you ever thought of this possibility? Your father, in all likelihood, has carefully considered it. Now that you realize the seriousness of this possibility you say, "What can be done about it?" The answer is to protect today against the possible losses of tomorrow by carrying insurance.

Suppose your family owns the house in which you live and that your father has invested \$5000 in it over a period of years. At the present time the operating expenses are very small because the mortgage has been paid. You have a comfortable home. Unexpectedly, your house is completely destroyed. Your father loses his investment in addition to all of the furnishings and comforts of home. He does not have enough money to build a new home. A rented house will cost far more than the carrying charges on the old residence. You may either have to move to a less desirable neighborhood or crowd into a smaller apartment. Now that you are conscious of such a danger, you again ask, "What can be done about it?" The answer

once more is to protect yourself today by carrying insurance against possible losses tomorrow. It is better to be safe than sorry.

Suppose your brother is now old enough to have an automobile license. One evening he uses the family car to visit his friend. Unfortunately, he has a serious accident in which a woman is killed, both automobiles are completely demolished, and your brother suffers a concussion of the brain. Since your brother is a minor, the owner of the other car sues your father for damages. Your father loses the case and has to sacrifice all of his savings to pay part of the damages. There is a judgment against his future earnings to pay the balance. You have never thought of this possibility either, have you? Once more you ask, "What can be done about it?" And again the answer is insurance.

We have not created these tales of woe to frighten you. We realize, however, that students of your age usually feel that insurance does not concern them at all. They feel that they can wait until they earn their living before worrying about the future. But, the risk of loss is ever present and concerns you today, tomorrow, and always. You should be interested in the insurance problems of



your family and make it your business to become well informed on this subject in order to give your parents the benefit of your knowledge.

## 2. Operation of Insurance.

How does insurance work? Your father may be fortunate and be spared a fire while some other homeowner suffers the loss. Insurance is a mutual sharing of losses. Your father is willing to pay a certain amount each year to build up a fund from which losses which occur will be paid. He may pay fire insurance for many years and never collect a cent. But, his co-operation makes it possible to pay Mr. Foresighted whose house



is reduced to ashes. He also has the peace of mind which comes from knowing that he is not in danger of losing everything. In other words, he has protected himself against the risk of fire.

This simple co-operative principle was the basis of early insurance *pools*. "All of us will chip in a certain amount. He who suffers a loss will receive compensation." Although the insurance business has grown tremendously the basic principle is still the same. The risk of loss is carefully estimated. By paying a certain amount called a *premium* you may insure against almost any imaginable risk. The person who buys the protection is called the *insured*. The company writing the insurance is the *insurer*. The contract of insurance is known as the *policy*. Companies which are organized on the original co-operative idea are called *mutual companies*. They are owned by the policyholders who receive the profits in the form of dividends. Dividends depend on the number of losses which occur during a year. *Stock companies* are privately owned and operated. Profits are distributed to the stockholders.

You may think that insurance is similar to gambling. If you take out a fire policy on a house and it burns, you win. If it does not burn, you lose. Insurance is not gambling because insurance laws permit only the owner of a house or a person who has an interest in it to obtain insurance. If your father has a mortgage on Mr. Mortgagor's house he may insure it to protect his interest. Mr. Borrower owes your father \$3000. Your father has an insurable interest in his life and can obtain a life-insurance policy to protect this interest.

How does an insurance company know how much to charge for a life policy? Insurance rates are computed by expert mathematicians who are called *actuaries*. These experts have records which show how many people out of a thousand who are now a certain age will be alive ten, twenty, or seventy-five years later. The record used by the actuaries is called the *American Experience Table of Mortality*. This is a high-sounding name for a table which shows the number and ages of people who die each year. According to this table, if you are now fifteen years of age, you should live forty-five and one-half years more. The table also shows that of one thousand children who are fifteen years old today about seven will die during the year. The insurance company, therefore, charges rates according to your life expectancy. At twenty years of age, you are expected to live another forty-two years. At forty you will have twenty-eight years more to live, according to their estimates. Your insurance rate increases as you get older because the risk of death increases.

**3. Buying Life Insurance.** You are now anxious to apply your general knowledge of insurance to help your father. How can you be of assistance? If your father carries life insurance use the information in this section to determine whether you think he has the right kind of insurance or not. If he does not have a life policy, you can acquaint him with the procedure recommended in obtaining the proper coverage.

The first step in taking out insurance is to decide on the exact kind of policy which will satisfy your requirements. If your father wears a size nine shoe he would not buy a size twelve shoe, would he? If he has \$5.00 to spend on a pair of shoes, would he buy a \$15 pair? What connection is there between shoes and insurance? We



are trying to show that many people buy insurance which is not the type of protection needed at a cost they can afford to pay. If your father earns \$30 a week and supports a family of four, he needs a policy which will give your family the maximum protection at the lowest possible cost. If he earns \$100 a week he can afford to spend more for his insurance. How can your father tell which policy is the one for him? We shall describe the various types available. It will then be a relatively simple matter to select the appropriate coverage.

*Term insurance.* Term insurance provides protection for a certain period of time. The face value of the policy is paid only if the insured dies during this period. If he is alive at the end of the period, he receives nothing. If he wishes to continue his insurance he must take out a new policy for another period of years at a slightly higher

<p><b>Ordinary Life Policy</b> <i>Convertible</i></p> <p><small>Payable at death. Premiums during life unless dividends are applied to shorten premium paying period. Annual distribution of surplus.</small></p> <p><small>To collect the amount payable under this policy it is not necessary to employ any person, firm, or corporation. Time and expense will be saved by writing direct to the Home Office at Springfield Massachusetts.</small></p> <p><small>DISABILITY PROVISION ATTACHED</small></p> <p><small>1001 1-1-39</small></p>	<p><i>Massachusetts Mutual</i> <b>LIFE INSURANCE COMPANY</b></p> <p><small>Springfield, Massachusetts</small></p> <p>No. <u>31-235-W</u></p> <p>Name of Insured <u>Roger Williams</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"><small>Age</small></td> <td style="width: 50%; text-align: center;"><small>Face Amount</small></td> </tr> <tr> <td style="text-align: center;"><u>35</u></td> <td style="text-align: center;"><u>\$10,000</u></td> </tr> </table> <p style="text-align: center;"><small>Date of Policy</small> <u>January 1, 1939</u></p>	<small>Age</small>	<small>Face Amount</small>	<u>35</u>	<u>\$10,000</u>	<p><i>Notice</i></p> <p><small>The Insured is hereby notified that by virtue of this Policy he is a member of the Massachusetts Mutual Life Insurance Company and is entitled to vote either in person or by proxy at any and all meetings of said Company. The annual meetings are held at its Home Office on the third Wednesday of January in each year at 2 o'clock p. m.</small></p> <p style="text-align: center;"><small>DEATH BY ACCIDENTAL MEANS PROVISION ATTACHED</small></p>
<small>Age</small>	<small>Face Amount</small>					
<u>35</u>	<u>\$10,000</u>					

rate because he is older. Mr. Insured buys a \$5000 ten-year term policy. If he is alive at the end of the ten-year period, his insurance expires. He may renew it for another term without medical examination or change to another type of policy. If he dies before the policy expires, his family will receive \$5000. Thus, term insurance is pure insurance. He buys protection for his family in the event death occurs during the period of insurance. It is similar to fire insurance. You collect the insurance only if a loss occurs. Term insurance is the least expensive type of insurance. It is written for periods of one, five, ten, fifteen, or twenty years. A person with a small income who has many dependents can buy the greatest amount of protection for his family with term insurance.

*Ordinary or straight-life insurance.* Your father wants a per-

manent policy. He wants a little more than insurance in the event of death. He wants a policy which will have some value to him in his old age. He wants a policy which he can use as security in making a loan. Can he get these features? Certainly, but he has to pay for them. He may get anything he wants in the line of insurance if he is able and willing to pay for it. Ordinary insurance rates are based on the Mortality Table. The insured pays premiums as long as he lives. If he is thirty-five years of age, he has a life expectancy of thirty-one years and the company will charge him accordingly. If he is forty-

Age	5 Year Term	Ordinary Life	20 Payment Life	20 Year Endowment
20	9.37	18.01	27.78	47.54
25	9.68	20.14	30.07	48.03
30	9.85	22.85	32.83	48.71
35	10.48	26.35	36.17	49.75
40	12.	30.94	40.34	51.39
45	14.82	37.09	45.69	54.15
50	19.55	45.45	52.83	58.76
55	27.07	56.93	62.66	66.32
60	38.63	72.84	-----	-----

*What conclusions can you draw from this table of life-insurance rates?*

five years old his life expectancy is only twenty-four years. Therefore, he has to pay a higher rate to make up for the shorter period of estimated premium payments. Since the insured agrees to pay a fixed premium as long as he lives (up to the age of ninety-six) the rate is low. Although a *straight-life* (ordinary) policy costs about three times as much as a term policy it is the least expensive form of permanent insurance. Ordinary life appeals to people who are seeking adequate permanent protection for the smallest outlay.

*Limited-payment life insurance.* Your father likes the economy feature of the straight-life policy. However, he does not like the idea of obligating himself to pay premiums in his old age. He wants to pay during his twenty or thirty working years and then be relieved of further payments. Can he get such a policy? Certainly, if he is willing to pay the extra charge. The company must receive the same

total of premium payments whether he pays for thirty years or for the rest of his life. If he wants to limit the number of payments he will have to pay enough extra each year to make up for the shorter period. At the end of the thirty years he has an ordinary-life policy on which no further payments are due. If he wishes to limit his payments to a period of twenty years, his rate will be higher. In insurance, as in all other purchases, you have to pay for what you receive.

*Endowment.* Your father is interested in a policy which will be paid to him at the end of a specified period, if he is alive. He wants a combination of insurance and savings. Can he obtain it? Certainly, if he pays for it. The company knows that it must pay the face amount of the policy at the end of a specified time even if the insured is alive. The premium rate, therefore, is very high. The insured must pay for what he wants. He is paying the insurance company because he does not trust his own ability to save. The purpose of life insurance is to replace earning power lost through the premature (early) death of the wage earner. *Endowment* insurance is expensive protection. A young man can obtain about \$2500 straight-life insurance for the same premium required on a \$1000 twenty-year endowment policy. Furthermore, endowment insurance provides only temporary protection. At the end of the endowment period, if the policyholder wishes to continue his protection, he must obtain a new policy, pay a much higher rate according to his age at that time, and pass a new medical examination. You pay for what you receive.

*Annuities.* Your father tells you that he has heard quite a bit about *income* or *annuity* policies. He has read in a magazine that he can buy a policy which will give him a steady income after he reaches the age of sixty. Can he obtain such a policy? Certainly, if he pays for it. The premium rate on income or annuity insurance is extremely high. Suppose your father is forty years of age now and wishes to receive an annuity of \$100 a month as long as he lives after he reaches the age of sixty. His annual payment for twenty years will be about \$650 a year. If he can set aside this amount each year, he should put it into some sound investment and carry ordinary life insurance to protect his family. When he buys annuity insurance he is paying the company to invest his money. He will receive what he is paying for.



*Industrial policies.* Have you heard of people who pay for insurance on a weekly or monthly installment plan? A collector calls for the installment premium of \$.10, \$.15, or \$.25. This form of protection is offered to the lowest-paid workers and is sometimes called *burial insurance* or *five-and-ten insurance* or *industrial insurance*. It started as a type of burial insurance to enable low-paid wage-earners who could not pay regular premiums to avoid a pauper's burial. Unfortunately, many abuses have crept into this form of insurance. The cost of industrial insurance is very high because many policies lapse and because it is expensive to make the weekly collections. Very few weekly-payment policies are ever carried long enough to be matured as a death claim or paid as an endowment. As a result, people who can least afford it suffer terrific loss. Ten cents a week sounds good to them. They have not learned that they receive what they pay for.

#### 4. Additional Life-Insurance Information.

*Application and examination.* After your father decides on a policy, he selects one of the companies in the field and asks for an application. This application becomes part of the policy and must be answered carefully. The insured names a *beneficiary* who will receive the benefits in the event of death. The company then arranges for a physical examination. This examination is used to determine whether the applicant is an insurable risk. A person in poor health will not be accepted, because the risk of loss is too great. After passing the examination, the insured pays the first premium and receives his policy.

*Grace periods.* Regular insurance premiums are payable in quarterly, semiannual, or annual installments. The insured has an extra thirty-day period of grace in which to make his payment after the due date. If the premium is not paid within the grace period, or if the insured party is not able to make special arrangements with the insurance company to be carried for a longer period of time, the policy lapses or comes to an end. The insured must take a new medical examination and pay the premium before the policy will be reinstated or restored.

*Waiver of premiums.* Let us suppose that your father is con-



cerned about meeting premium payments in the event of physical disability. By paying a small premium in addition to the regular payment, he may protect his insurance now in case he should become permanently disabled and not able to work. In return for this extra payment, the company will, on proof of permanent disability, give up its right to receive premiums and the policy will continue in force.

*Double indemnity.* If your father is willing to pay another added premium, the company will pay his beneficiary twice the face of the policy in the event of accidental death.

*Cash-surrender value.* All life-insurance policies except term policies have a certain cash-refund value after they have been in force at least two years. The cash-surrender value is much smaller than the amount paid in premiums. However, if the policy lapses or your father wishes to realize some cash on it, he will not lose all of the money he has contributed.

*Paid-up and extended insurance.* If your father finds it impossible to continue his payments, the company will allow him to stop paying premiums and give him a smaller policy, depending on the number of payments he has made. Suppose his original policy had a face value of \$1000. After he stops paying he may receive a \$400 *paid-up policy*. Or the insured may prefer to take *extended insurance* for the original amount of his policy. This means that without further payment he will be insured for a specified period only, depending on the amount paid in. If death occurs before the expiration date, his beneficiary will receive \$1000. If he lives until the end of that period his insurance expires. Many people who allow policies to lapse forget that such policies may have cash, surrender, paid-up, or extended-insurance values.

*Dividends.* All insurance companies protect their funds by charging more than the amount necessary to meet all claims. Many companies return some of this surplus charge to policyholders at the end of a year in the form of *dividends*. Dividends may be used in reducing the cost of premiums. To determine the exact cost of insurance it is necessary to consider dividend receipts. There are no insurance bargains. You receive what you pay for and no more.

## 5. Health and Accident Insurance.

You have learned that life insurance is protection against loss due to premature death. Your father may also carry health insurance in addition to his life policy. This protects him in the event of illness by providing reimbursement for hospital, surgical, and medical expenditures. It will also compensate (make up) for the loss of salary resulting from an illness.

Hospitalization insurance is constantly growing in popularity. Your father may provide his family with free hospital attention, when it becomes necessary, by paying premiums in advance. The basic idea of the plan is to pay when you are well for the hospital care needed when sickness occurs.

Accident insurance provides protection against the risk of loss caused by an accident. Compensation is usually provided for medical bills, temporary and permanent disability, loss of earning power, and loss of life. Since the rate for accident insurance is low, many people who drive automobiles carry accident insurance in addition to life insurance.

## 6. Property Insurance.

*Fire insurance.* All property is subject to loss by fire. Most people protect themselves today against the possible losses of tomorrow by carrying fire insurance on all valuable property. Fire-insurance rates are low and it is better to be safe than sorry.

Fire rates depend on the location of the property, the nature of the building, and the purpose for which it is used. A brick home located in a residential neighborhood in the center of a town with a good fire-fighting apparatus will carry a low fire rate. A wooden structure used for storage purposes located next door to a factory will carry a high fire rate.

Fire-insurance companies pay only for the actual loss suffered. Suppose your furniture is insured against fire for \$1,000 and a \$25 chair is burned. The company will reimburse you only after you have filed a claim with a proof of loss showing that the value of the chair was \$25. It is, therefore, necessary to keep an inventory of your possessions to be used in proving fire losses. Do not keep this inventory at home. In case of fire your evidence may be destroyed.

Fire policies generally carry a *co-insurance clause*. The company tells the insured that if he is willing to insure his property up to a certain per cent of its value it will give him a reduced rate. In other words, the company carries part of the risk and the insured assumes the balance. Your father's house is worth \$10,000. His fire-insurance policy carries an 80 per cent co-insurance clause. The Company has given him a low rate in return for his promise to keep his property insured for \$8000 ( $\$10,000 \times \frac{80}{100} = \$8000$ ). Suppose your father insures the house for \$4000. This is only one half of the amount he promised to carry ( $\frac{\$4000}{\$8000} = \frac{1}{2}$ ). Consequently, if his house is completely destroyed by fire your father will collect only \$4000 because he carried less than the insurance he was obligated to carry. If, on the other hand, he carried the full \$8000 insurance, he would collect the full amount of his claim. In case of total destruction he would collect \$8000. On any damage of less than \$8000, he will collect one half of the actual damage. If there is a \$4000 loss, he will collect \$2000 ( $\$4000 \times \frac{1}{2} = \$2000$ ).

*Automobile insurance.* You have undoubtedly heard of cases in which irresponsible people driving automobiles have caused considerable damage and suffering to innocent bystanders. Automobile accidents are a very common occurrence. Even the most careful driver may become involved in accidents which result in serious



loss. Many mature people believe in compulsory automobile insurance. They feel that if a person cannot afford to carry automobile insurance, he should not drive an automobile. At any rate, a person should protect himself and others against the risks involved in operating an automobile by carrying some form of automobile insurance.

1. *Fire and Theft.* This form compensates the owner in the event of destruction by fire, or if the automobile is stolen and is not recovered. The company will pay the actual or market value of the car at the time of loss.

2. *Personal Liability.* If the insured injures someone while driving his car the company will pay the damages and legal expenses.

3. *Property Damage.* In this form the insured protects against damages he may cause to automobiles or property belonging to others. If the insured's car crashes into a building and causes damages to the building the insurance company will take care of the loss.

4. *Collision Insurance.* The company compensates the insured for damage to his own car. This is expensive insurance because the risk of loss is great. It is possible to get a lower rate on a \$100 deductible policy. This means that the company will pay damages over \$100 only. If you have an accident and it costs \$175 to repair your car, the insurance company will pay \$75 and you pay the balance. At higher rates it is possible to obtain \$50 and \$25 deductible policies.

5. *Complete Protection.* An automobile owner wishing to insure against all risks would have to carry insurance against fire, theft, lightning, flood, windstorm, explosion, earthquake, falling rocks, personal injury, property damage, and collision or upset.

#### 7. *Miscellaneous Insurance.*

There are many other forms of insurance.

1. *Public liability.* Protection against injuries to people who use your property. If a visitor slips on the steps of your house and is injured this insurance protects you against any action for damages.

2. *Burglary insurance.* Valuable personal property should be insured against theft. The rate is usually low.

3. *Plate-glass insurance.* Store windows are expensive. Store owners protect themselves against the risk of broken windows by carrying plate-glass insurance.



4. *Fidelity insurance.* If your brother is a cashier in a restaurant, the owner wants to be sure that your brother will not run away with the cash receipts. He protects himself by carrying *fidelity insurance*. Your brother is *bonded*.

5. *Workmen's compensation.* Many states require every employer to insure his workers against any injury while on the job. If an employee is hurt, the insurance company will pay his doctor's bills and will pay him a certain portion of his salary while he cannot work. In case of permanent injury, he may receive compensation as long as he lives.

6. *Unemployment insurance.* In many states both the employer and employee are now contributing to an Unemployment Insurance Fund. If an employee loses his job after working a certain period of time, the state will pay him a definite portion of his former salary until he obtains a new position.

7. *Old-age pensions.* A Federal law makes it compulsory for most employers and employees to contribute to a Social Security Fund which provides old-age pensions for workers who reach a certain age limit. The size of the pension depends on the lifetime earnings of the worker.



### REFRESHING YOUR MEMORY

Some of the things to remember in this chapter :

1. It is wise to protect yourself today against possible losses tomorrow.
2. Insurance operates on the principle of mutual co-operation today to compensate for individual losses tomorrow.
3. Insurance is not gambling. You cannot insure anything unless you have an insurable interest in it.

4. All life-insurance rates are based on mortality figures.
5. Life-insurance requirements differ from person to person.
6. There is a life policy to suit every purse and requirement.
7. Term insurance is the least expensive kind of temporary insurance.
8. Ordinary-life insurance is the least expensive kind of permanent insurance.
9. All companies charge about the same rate for the same benefits offered.
10. You pay for everything you receive in the line of insurance.
11. Small, frequent, installment premiums are costly in the long run.
12. Even after a policy has lapsed, the insured has certain rights and privileges which are frequently overlooked.
13. Life insurance alone is not adequate protection for the breadwinner of a family. Health and accident insurance may be necessary to protect future income.
14. Hospitalization is an excellent way of paying for hospital care before the emergency occurs.
15. Property worth owning should be worth insuring against fire, the greatest of modern hazards.
16. Fire-insurance rates vary according to location, nature, and use of the property.
17. Co-insurance makes the insured carry some of the insurance risk in return for reduced premiums.
18. Automobile accidents are common. A person who drives an automobile should protect himself and others against the frequent possibility of loss.
19. If you own property, it is better to be safe than sorry by insuring today against possible loss tomorrow.

### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-34 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Narrate to the class, three true, short stories to illustrate the risk of loss which is possible in the world of today.
2. Imagine that, although you do not have a license, you drive your father's car without permission and have a serious accident. Your father

claims that he is not responsible for your mishap. What is your opinion?

3. The statement is made that high-school students are not interested in insurance. Discuss the statement and give your viewpoint on it.

4. Although nobody knows where a loss will occur, it is possible to obtain protection against it. Tell how this plan operates.

5. Insurance is gambling. If a loss occurs, you win, if not you lose. Discuss.

6. Identify the following terms: insurer, policy, premium, insured, actuary, dividend.

7. When is an insurable interest present in life insurance? In property insurance?

8. A student who has been absent for several days asks for an explanation on how life-insurance companies determine premium rates. Make the necessary explanation and give illustrations.

9. "Life insurance is life insurance and the kind of policy you carry makes very little difference." Give your viewpoint on this question.

10. Imagine that you are interested in buying life insurance. Name five policies the insurance agent may sell you.

11. Your class is interested in obtaining information about the least expensive form of life insurance. Tell your story briefly.

12. Describe the most inexpensive form of permanent insurance.

13. In a limited-payment policy the total premium paid is the same as in an ordinary policy, only the time of payment is reduced. Explain.

14. Your brother, who is working, tells you that he finds it difficult to save and, therefore, he wants a policy which will compel him to save a certain amount each year. Describe the policy you recommend.

15. Imagine that you are an insurance broker. Give a sales talk to a prospect who has asked for a policy which will guarantee a definite income after a certain age is reached.

16. Industrial insurance is expensive. Explain.

17. What happens if the premium payments are not made when they are due?

18. Describe the procedure followed in buying a life policy.

19. Waiver of premium means that the premium rates change from time to time. True or false? Why?

20. What is *double indemnity*?

21. Your father finds it necessary to cancel a life policy he has carried for ten years. Can he receive any refund? Explain.

22. Give the class an illustration of paid-up insurance.
23. "Extended insurance is long-term insurance." True or false? Why?
24. "A dividend, is a check sent by the insured to the insurance company in payment of the amount owed." Discuss.
25. Distinguish between life insurance, health insurance, and accident insurance.
26. The greatest property hazard today is . . . . . Why?
27. What is a co-insurance clause?
28. Imagine that you own an automobile. Discuss your choice of policies, and how much they would cost you.
29. A relative desires to insure his car against practically all possible risks. Name some of these risks.
30. Why do property owners carry public-liability insurance?
31. Imagine that you are the owner of a gasoline filling station which employs five attendants. Describe the compulsory insurance you will carry to protect your employees.
32. You have heard that a neighbor is receiving unemployment insurance payments. Explain.
33. If you apply for a summer job and the employment manager asks for your Social Security number, what does he mean?
34. Suppose your sister is a cashier in a neighborhood shop. She is bonded for \$5000. Explain.



## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams, and then begin. May the best speller win!

accordingly	application	deductible	economy
adequate	burglary	desperate	employee
annuities	burial	destroyed	estimated
apartment	compulsory	destruction	expenditures
apparatus	conscious	disability	expiration



fidelity	knowledge	physical	security
foresighted	mathematician	procedure	semiannual
furnishings	mortally	receipts	seriousness
imaginable	mortgage	reimbursement	stockholders
incurred	obligating	relieved	tremendously
irresponsible	occurrence	requirements	undoubtedly
judgment	organized	residential	woe

### THE FIRST OF THE THREE R'S—READING

actuaries	deductible clause	insurable	policy
beneficiary	dependents	insurance	premature
cash-surrender	endowment	lapse	premium
co-insurance	hospitalization	license	Social Security
collisions	indemnity	life expectancy	straight life
coverage	information	mutual	waiver

### THE SECOND OF THE THREE R'S—WRITING

The letters *d* and *p* are the two remaining small letters that we have not studied. The upper part of the letters *t*, *d*, and *p*, are not as high as capital or upper-loop letters. Care should be taken in writing the letter *p* to make sure that both the lower loop and small upper loop meet at the line of writing.

It is necessary that you make good figures. Study the larger figures in the exercise and then practice the five rows of figures. In order that figures may be accurately made the fingers must be used more than when writing words or sentences.

Practice the figures several times and make sure that each is clear and distinct.

<i>d</i>	<i>p</i>	1 2 3 4 5 6 7 8 9 0
1. <i>division</i>		1 2 3 4 5 6 7 8 9 0
2. <i>develop</i>		1 2 3 4 5 6 7 8 9 0
3. <i>donate</i>		1 2 3 4 5 6 7 8 9 0
4. <i>profit</i>		1 2 3 4 5 6 7 8 9 0
5. <i>procedure</i>		1 2 3 4 5 6 7 8 9 0

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Ask your father to let you see his insurance policies. Read the first page or two of each policy.
- (b) Make a list of the policies in this way.

### FAMILY INSURANCE RECORD

Kind of Insurance	Type of Policy	Date of Policy	Term	Face	Annual Premium
1. Life Insurance	Straight life				

- (c) Complete this list.
- (d) Confer with your father whether this insurance program meets his needs.

### Job 2—

- (a) Think of some risk faced by you and your friends.
- (b) Devise an insurance plan to furnish protection against this risk.
- (c) Present the plan to your class.

### Job 3—

- (a) Study the life-insurance needs of three members of your family or other relatives. Check their requirements in view of their income, number of dependents, amount available for premium payments, age, physical condition, and special considerations.
- (b) Recommend an insurance plan based on these requirements.

### Job 4—

- (a) Prepare a chart describing the kinds of life-insurance policies available. Set it up in this way—

### LIFE-INSURANCE POLICIES

Kind of Policy	Characteristics	Cost	Advantages	Disadvantages
1. Term	1. Insurance for a limited period	1. Very small	1. Insurance inexpensive	1. Not permanent

- (b) Complete this list.

Job 5—

- (a) Ask an insurance broker to give you the rate per \$1000 for each policy in Job 4a at the age of twenty.
- (b) Set up a chart to show the cost of each type of insurance.

Job 6—

- (a) Obtain the same information as in Job 5a for ages twenty-five, thirty, thirty-five, forty, and fifty.
- (b) Set up a chart to show how the premium rate varies.

Job 7—

- (a) Persons engaged in hazardous occupations cannot obtain life insurance. Ask your insurance friend to give you some information about such hazardous occupations.
- (b) Make a list of these occupations and why they are hazardous.

Job 8—

- (a) Obtain a life-insurance policy.
- (b) Describe the options provided if the policy lapses.
- (c) Which of these options would you select? Why?

Job 9—

- (a) Ask an insurance broker to give you the rate on a weekly- or monthly-installment policy.
- (b) Compute the annual rate.
- (c) Compare the benefits received from an industrial-insurance policy with a straight-life policy.
- (d) Which form do you prefer? Why?

Job 10—

- (a) Determine from your father, or any policyholder, how much dividend his policy earns per \$1000 of insurance.
- (b) What does he do with his dividends?
- (c) What other options are there in the disposal of dividends?
- (d) What per cent of his annual premium is the annual dividend receipt?

Job 11—

- (a) Consult insurance brokers who write insurance for three of the large companies.
- (b) Ask for the rate on \$1000 of straight-life insurance at the age of twenty.

- (c) Find out what special provisions, if any, this premium rate includes.
- (d) Ask for the estimated dividend beginning with the third-year insurance.
- (e) Calculate the net cost of each policy, after the dividend is deducted from the premium rate.

**Job 12—**

- (a) Set up a chart to show the information in Job 11. Prepare the information in this way.

**COMPARATIVE LIFE-INSURANCE RATES**

Company	Premium Rate Per \$1000	Special Provisions Included	Estimated Dividend	Net Cost

- (b) Complete this chart for at least three companies.
- (c) Fill in the same information for additional insurers.

**Job 13—**

- (a) Prepare a chart showing the additional features which are usually included in life policies. Set it up in this way.

**SPECIAL PROVISIONS IN LIFE POLICIES**

Provision	Characteristic	Approximate Cost
1. Grace period.	1. 30 days extra allowance after due date.	1. No charge.

**Job 14—**

- (a) You will have to trouble your insurance friend again. Obtain the rates for health, hospitalization, and accident policies.
- (b) Prepare a chart in this way.

**HEALTH AND ACCIDENT INSURANCE**

Type of Policy	Benefits Offered	Rate	Advantages	Disadvantages



Job 15—

- (a) Obtain a fire-insurance policy.
- (b) Make a list of the hazards included in fire insurance.
- (c) Make a list of the factors which determine the premium rate.

Job 16—

- (a) Ask a fire-insurance broker to quote rates on:
  1. One-family brick residence.
  2. Four-family brick house.
  3. One-family frame residence.
  4. Apartment house.
  5. Factory building.
- (b) Set up a chart to show this information.

Job 17—

- (a) Prepare a chart to show the kinds of automobile insurance obtainable. Set it up in this way.

AUTOMOBILE INSURANCE

Kind	Characteristics	Approximate Cost	Advantages	Disadvantages

- (b) Complete the chart.

Job 18—

- (a) Refer to Job 17a—
- (b) Obtain the rates for each kind of automobile policy on the family car.
- (c) Prepare a chart to show this information.

Job 19—

- (a) Obtain the premium rates on full collision insurance.
  - \$25 deductible collision insurance.
  - \$50 deductible collision insurance.
  - \$100 deductible collision insurance.
- (b) Prepare a chart to show this information.
- (c) Imagine that you own a car. Which form of insurance would you select? Why?

Job 20—

- (a) Prepare a household inventory of personal property which can be insured against fire. Set it up in this way.

KITCHEN INVENTORY

No. Articles	Article	Date Purchased	Original Cost	Present Value
	Chairs			
	Tables			
	Kitchen Cabinet			
	Refrigerator			
	Clock			
	Range			
	Stove			
	Linoleum			
	Irons and Ironing Board			
	Kitchen Utensils			
	Lighting Fixtures			
	Silverware			
	Chinaware			
	Supplies			
	Other Articles			

- (b) Complete the chart and determine total original cost and present value.

Job 21—

- (a) Prepare an inventory chart as in Job 20a—for your living room.  
(b) Determine total original cost and present value.

Job 22—

- (a) Prepare a similar inventory chart for each bedroom in your home.  
(b) Determine original cost and present value.

Job 23—

- (a) Prepare a similar inventory for the dining room and all other rooms in your own home.  
(b) Determine original cost and present value.

Job 24—

- (a) Total the original cost of all the household items in your house.

- (b) Do the same for the present value of all items.  
How much fire insurance does your family carry on household items?
- (d) Is the insurance coverage adequate?

**Job 25—**

- (a) Compare the premium rate of \$1000 of straight-life insurance at the age of twenty charged by
  1. Mutual Insurance Company.
  2. Stock Insurance Company.
  3. Savings banks in Massachusetts and New York.
- (b) Prepare a chart to show this information.

**Job 26—**

- (a) Search for forms of insurance which have not been discussed in your textbook.
- (b) Prepare a list to show this information.



## THE THIRD OF THE THREE R'S—ARITHMETIC

**Situation 1—**

- (a) Assume that your father has a \$10,000 ordinary-life policy. The premium rate is \$21.53 per thousand. What is his annual-premium payment?
- (b) The policy includes a double indemnity clause for which he pays an additional \$3.63 per thousand and a waiver of premium clause which costs \$3.30 per thousand. What is your father's total annual premium payment?
- (c) The policy has been in force for 18 years. How much has he paid in premiums during this time?

**Situation 2—**

- (a) Assume that in Situation 1 your father has allowed his annual average dividends of \$3.75 per thousand to accumulate for fifteen years. What is the amount of the accumulated dividend?
- (b) What per cent of the total premiums paid during the eighteen years is the accumulated dividend?
- (c) If your father should use his annual dividend to pay his premium, what would be his total annual outlay?

**Situation 3—**

- (a) Your father was earning \$3500 a year when he took out his policy in Situation 1. What per cent of his income went for life insurance?
- (b) Assume that your father earns \$2600 today. What per cent of his income is used to pay life insurance?

**Situation 4—**

- (a) A table in your father's policy shows that after paying his premiums for eighteen years his policy has a cash-surrender value of \$246 per thousand. How much would he receive if his policy lapsed this year?
- (b) How much would your father lose on his total premiums calculated in Situation 1c and his accumulated dividends in Situation 2a if he accepts the cash-surrender value of the policy?
- (c) What per cent of the total amount paid in does this loss represent?

**Situation 5—**

- (a) The following table is given as a guide in determining how much life insurance should be carried according to the income of a family.



**INSURANCE AND INCOME**

Annual Income	Percentage for Insurance		Expenditure—Amount	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
\$1000	2%	3½%		
1500	3½%	5%		
2000	4½%	6%		
2500	5%	6½%		
3000	5½%	7%		
4000	6½%	9%		
5000	7½%	10%		

- (b) In your workbook, complete the last column.



Situation 6—

(a) The annual fire loss in the United States over a period of years is as follows:

\$78,102,285.00
74,643,400.00
102,818,796.00
108,993,792.00
142,110,233.00
160,929,805.00
165,221,650.00
214,003,300.00
172,033,200.00
447,886,677.00
559,418,184.00
501,980,623.00
248,763,856.00
263,259,746.00

- (b) Compute the total fire loss during this period.
- (c) What was the average annual fire loss?
- (d) What was the amount of increase between the first year and the last year?
- (e) What was the per cent of increase between the first year and the last year?
- (f) What was the spread between the year showing the greatest loss and the year of the smallest loss?

Situation 7—

(a) Your brother, aged twenty, is considering the purchase of life insurance. He is quoted the following rates per thousand on policies which do not issue dividends.

Ordinary Life .....	\$ 18.01
20-Payment Life .....	27.78
30-Payment Life .....	22.20
10-year Endowment .....	101.09
20-year Endowment .....	47.54
30-year Endowment .....	30.69

- (b) How much ordinary-life insurance can he buy for an annual premium of \$120?
- (c) How much twenty-payment-life insurance can he buy for the same premium?

- (d) Thirty-payment-life insurance?
- (e) Ten-year endowment?
- (f) Twenty-year endowment?
- (g) Thirty-year endowment?

**Situation 8—**

- (a) In Situation 7a what would be the total premium payments in a ten-year endowment? How much would he receive after the ten years? What would be the percentage of profit or loss on his premium payments?
- (b) Do the same as in Situation 8a for a twenty-year endowment.
- (c) Do the same for a thirty-year endowment.

**Situation 9—**

- (a) You are interested in automobile-collision insurance. The rates in your locality are:

Full collision .....	\$61
\$25 deductible collision.....	20
50       "       "       .....	13
100       "       "       .....	7

- (b) What is the per cent of rate increase between full-collision insurance and \$25 deductible?
- (c) Between \$25 and \$50 deductible?
- (d) Between \$50 and \$100 deductible?

**Situation 10—**

- (a) A household inventory of your home is as follows:

**HOUSEHOLD INVENTORY SUMMARY**

Room	Original Cost	Present Value
Kitchen .....	\$350.00	\$280.00
Living Room .....	700.00	490.00
Dining Room .....	425.00	255.00
Bed Room No. 1 .....	450.00	315.00
Bed Room No. 2 .....	375.00	225.00
Bathroom .....	25.00	22.50
Hallway .....	50.00	42.50
Linens .....	160.00	112.00
Clothing .....	400.00	116.00
Glassware and China ...	150.00	137.50
Silverware .....	80.00	58.00

- (b) Calculate total original cost.
- (c) Calculate total present value.
- (d) Calculate per cent of depreciation on each item.
- (e) Calculate per cent of total depreciation.
- (f) What was the annual fire-insurance premium, if the original furnishings were insured at the premium rate of .0286 at full value?
- (g) Calculate the premium at the present value and the same rate.

#### Situation 11—

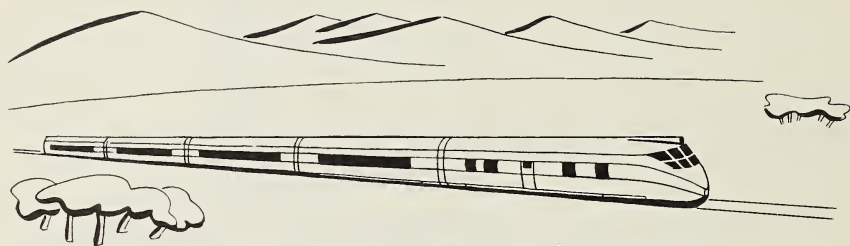
- (a) Your friend argues that the increase in premium rate as you become older is very small. In answer you have obtained the following figures on a \$1000 *twenty-payment-life* policy.

Age	Premium
20 .....	\$27.76
25 .....	29.98
30 .....	32.62
35 .....	35.82
40 .....	39.77
45 .....	44.82
50 .....	51.54
55 .....	60.69

- (b) 1. Calculate the total premium payments on a policy issued at each of the following ages: 20; 25, 30; 35; 40; 45; 50; 55.
- (c) How much more will you pay if you take a policy at the age of twenty-five instead of at twenty? What is the percentage of the increased cost?
- (d) Compare age twenty-five and age forty as in c.

#### Situation 12—

- (a) Assume that your father's house is worth \$8000. He carries an 80 per cent co-insurance clause. The house is insured for \$4800. How much would he collect in case of total destruction?
- (b) Calculate how much he would collect if the damages come to \$6400.
- (c) If the damages are \$4000?
- (d) If the damages are \$1000?
- (e) If the damages are \$200?





## XI

### SEEING THE WORLD—TRAVEL

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *Have you ever traveled? Think carefully before you say, "No."*
2. *Suppose all methods of travel were suddenly stopped. How would it affect you and your family?*
3. *Assume that your family is planning a trip to the coast during your summer vacation. Just how would you go about planning it?*

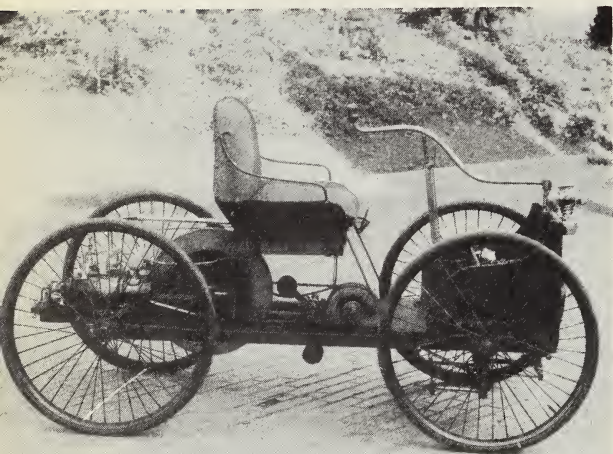
1. **Why Travel?** Unless you live in a tiny hamlet and have never once left it, your answer to the first question cannot be in the negative. If you live in a city, you probably travel to school every day. Undoubtedly, you travel for your entertainments, certain shopping tours, church, visits, recreation, and sight-seeing trips. Even if you live in a small community where you walk to school, church, the stores, and the movies, there are times when you go to a near-by city for special shopping tours, recreation, visiting or just sight-seeing.

There was a time when many people were born and died without ever having left their local community. There are still a few people of this type, but they are few and far between. Most of us in the world of today manage to get around quite a bit. Perhaps we have a little of the wanderlust of our ancestors left in our blood. Can you hear the whistle of a locomotive without picturing yourself on a long journey, instead of attending school and doing your chores? Can you see a long-distance bus pass your door without longing to settle in the comfort of its large chairs, instead of doing your required tasks? Can you resist craning your neck to the sky to watch longingly as the monarch of the air wings its way across the coun-

try? Have you ever seen a large steamer at a pier without yearning for the adventure of a trip to foreign ports? Have your neighbors ever started on a long automobile trip without arousing your envy? Do you ever read the Travel Section of your Sunday paper without resolving to see the world some day?

As we have indicated, even while you are still in school, you may have occasion to travel in connection with your educational, home, social, religious, occupational, and recreational activities during the week. Over week ends and holidays, your family may take somewhat longer trips. During vacations, you may have opportunities

*The automobile of yesterday and today.*



for more extensive journeys. It is practical, therefore, to gather information about travel which will be useful to you not only now but in the near future. Let us start on our journey.

## 2. Travel by Automobile.

We shall begin our tour by automobile because it is in such common use today. Even if your family does not own a car, you probably know something about travel by automobile. Did you know that in 1900 there were all of 8000 cars registered in this country? How many are there today? It is difficult to say because the number is constantly increasing. On the basis of recent figures, however, it is safe to say that there are more than thirty million motor vehicles registered in the United States alone. It is figured that one out of every five persons owns an automobile. What has brought about this remarkable increase? The in-



ventive genius of the American workman, the method of specialization or division of labor, and mass production or production on a large scale, have made the cost so reasonable that a low-priced car is within the reach of a great many of the American people.

The invention of the automobile has given employment to thousands of workers employed in auto, auto-body, and auto-parts factories. Several millions of garage men, filling-station attendants, drivers, and raw-material workers are all dependent on the motor industry for their livelihood. Within half a century a small industry has become a giant.

Automobile driving was not entirely a joy in the first years of its invention. The roads were not much better than the trails along which the colonists had traveled many years ago. The first agitators for good roads were the bicyclists. The automobilists merely added their voices to this protest. In 1891, New Jersey laid out a state network of highways and other states soon followed suit. It was not until 1915 that the United States government decided to become a partner of the states in road building, and our system of national and state roads came into existence. Today there are several million miles of road which may be used in any weather. The improvement of highways and the opening of new roads brought about new types of business. Filling stations, roadside stands, markets, cabins, and tourists' hotels were built to serve the passing motorist.



The increasing popularity of the automobile is due to the fact that it provides conveniences and pleasures that cannot be had by any other means of travel. You are able to leave home when you please and return at your convenience. There is no waiting for schedules. No time is lost. You may travel as slowly or as fast as you like, providing you do not exceed the speed limits. You can make trips to places not easily accessible by other means of travel. A trip to the country or seashore or to some distant place of interest, a visit to friends and relatives, may be made at any time, comfortably, conveniently, and quickly. The automobile gives us greater educational opportunities. New and interesting places that we have always longed to visit are now accessible to us. Many people, by attaching a trailer to their cars and taking along necessary baggage, reduce their hotel expenses. The automobile makes it possible for us to have a greater variety of amusements and pleasures. It gives us an opportunity to get away from the close confines of the city and get out into the open country, fresh air, and sunshine.

Every person who drives a car is required to have a license. Before one can get a license, he must be of legal age as required by state laws. He must pass a driving test, a sight and color test, and a test in the knowledge of the state's traffic rules. It is not advisable to operate a car without a license. The risk involved is not worth the temporary pleasure. The state also requires each automobile owner to have license plates for his car. In addition to these taxes the owner pays a gasoline tax. A large share of this money is used by the state for constructing and maintaining public highways, traffic lights, and highway policemen to see that drivers obey the traffic laws.

When planning a long automobile tour be sure that your car is in excellent condition. Is your motor in good shape? Do you have four wheels and no brakes or are your brakes in good working order? Are your tires worn down to the fabric or do they have enough rubber to assure safe driving? Is your steering equipment functioning properly? How about your lights and electrical equipment? All of these details are important even for local driving. For a long trip they are essential to a pleasant and inexpensive journey. A little foresight sometimes saves a great deal of inconvenience and expense.





*A modern, convenient, and inexpensive way to travel.*

Obtain road maps and travel information from your filling station, garage, gasoline company, newspaper, or automobile club. Study the mileage you expect to cover each day and arrange for suitable stopping places. Do not try to cover too much ground in one day. You will not see much when you whiz by at fifty or sixty miles an hour. Observe the rules of common courtesy on the road just as you are expected to do at home or in school.

**3. Travel by Bus.** If your family does not own an automobile, you will find it relatively inexpensive and convenient, at times, to travel by bus. You will probably wish to consider this method of travel for some of your jaunts or long-distance trips.

Busses run on schedule, have regular routes, and move at a rapid rate of speed. Usually, they are large, comfortable, clean, and comparatively quiet. They operate from definite stations to pick up or drop passengers and they detour to escape traffic congestion.

In many cities, busses are replacing street cars. New residential areas are joined with business sections by extensive interurban (city

to city) bus lines. Busses are also used for travel over wider areas in practically all districts, and it is now possible to travel in them comfortably, speedily, and cheaply, to almost any part of the country. Some lines extend from the Atlantic to the Pacific coast. Like railroads, they run on regular schedules and have ticket offices, waiting rooms, and terminal stations in every large city of our country.

There are also busses which make special trips or tours, known as sight-seeing busses. In winter, there are tours for skating or skiing. In summer, trips are made to seashore resorts and amusement parks. In spring and fall, there are special busses for baseball and football games, athletic events, conventions, and historic and scenic trips.

The extent of the facilities offered by motor busses is such that in recent years the railways have suffered severely from the competition. Bus travel has gained in popularity because it is inexpensive. Motor busses can provide the same service as railroads at a much lower cost per mile and can reach communities not served by railroads. To offset this disadvantage, railroads have replaced their short lines with busses.

In rural communities, the motor bus is directly responsible for the modern school replacing the one-room schoolhouse. The pupils of a number of one-room schools are brought by bus to a central,

*From home to school.*

graded school. Instead of one teacher for all grades, the work is divided among several teachers. Vocational and other courses may be added, and the students have an opportunity to receive instructions from specialists in their particular fields. In the city, busses are used to carry children who live too far away to walk, as well as blind and crippled children to and from school. Thus, boys and girls living in rural areas, handicapped children of the city, and those liv-





ing at a distance are not deprived of an opportunity to receive instruction by well-trained teachers in their modern well-equipped schools.

When you plan a long journey by bus, you follow the same procedure as that described for travel by automobile. The bus companies will gladly supply you with maps, timetables, information concerning hotel facilities, and other details necessary to make your trip a success.

4. **Travel by Electric Railway.** It may be interesting at this stage of our journey to stop to look back at some of the earlier methods of transportation which in many localities are no longer in use.

During the 1850's the chief method of travel in our cities was the horsecar, drawn by two horses and modeled after the stagecoach of that period. As the cities in different parts of our country increased in population, a more rapid means of travel was needed. In 1859 steamcars were introduced. Although steamcars gradually replaced horsecars they were generally dirty, noisy, and uncomfortable. A few years later cable cars were tried: They fell into disuse because of their great cost and slow speed. Toward the 1900's the steamcars and cable cars were replaced by electric railway or trolley cars.

The first overhead trolley line was opened in 1889 in New York. The trolley cars were supplied with electric current by an overhead wire. They could be operated much more rapidly and cheaply than

*A trackless trolley on tires.*



the horsecars, steamcars, and cable cars. A decade (ten years) later these electric or trolley cars were operating in almost one hundred and fifty cities of the United States. The electric lines were rapidly extended to outlying districts and soon new suburbs and towns were developed. The connecting link was the trolley line. These suburbs became the residential sections for those who could afford to move away from the busy and noisy cities.

Traffic conditions, in the main streets of large cities, became quite a problem. In many cities the electric lines were built underground and called *subways*. Some cities built their electric lines overhead. These were called *elevateds* or *elevated railways*. Having no traffic problems to overcome, the subways and elevated railways replaced many of the trolley lines. Many of the electric lines, in order to exist, had to raise their fares or reduce their service. The public demanded lower fares and better service. There was need of a means of transportation, cheaper for the companies to operate, and at the same time more rapid and convenient for the public. This need was answered by the introduction of the motor bus. Some electric-railway companies installed motor busses, while others had to stop operating.

Recently a new type of vehicle, the *trackless trolley*, was introduced in our large cities. This represents a compromise between the trolley car and the motor bus, and draws current by means of a trolley arm from an overhead wire. It has the advantage of being more adaptable on congested streets. If necessary the trolley arms are pulled down, and the vehicle can be operated as a motor bus. It is less expensive to operate than the trolley car. There is no initial cost for laying the track and no track-maintenance cost. The route can be changed when necessary to do so. In many communities these combination busses sounded the death knell for trolleys.

5. **Travel by Railroad.** How does the railroad fit into our travel plans? There are times when the railroad offers the best service at the lowest cost to satisfy certain travel requirements. Let us, therefore, consider transportation by rail on our journey.

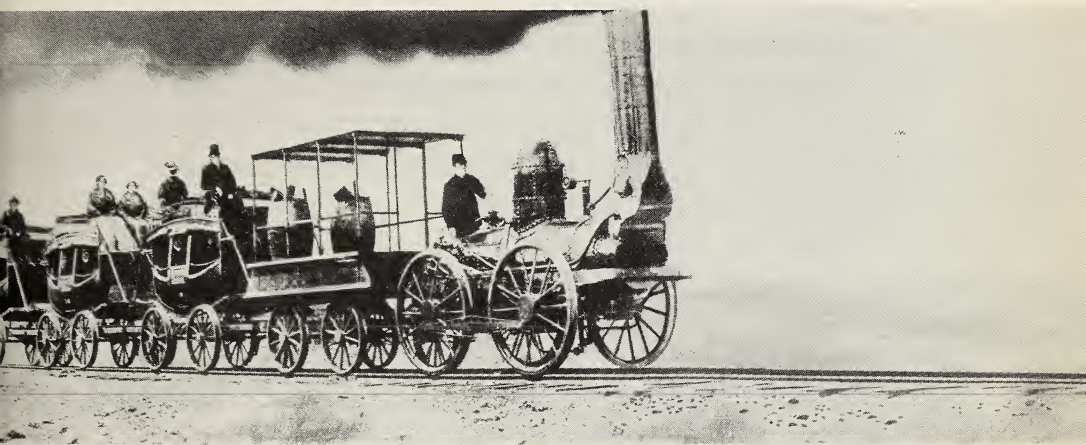
You may be interested to know how the railroad started. For several hundred years, wooden tracks were used to connect mines with nearby waterways. Later iron strips were used on the wooden



rails to prevent wear. Over these tracks, wagons were pulled by horses. After the invention of the steam engine by James Watt, steam power was applied to boats. Then, in about 1800 a steam engine was put on wheels to run on a highway. A few years later, it was put on rails. This was the beginning of the steam locomotive operated on a track. In 1829, Peter Cooper built an experimental steam engine, a locomotive. It was so small that it was called the "Tom Thumb." Its speed of eighteen miles an hour convinced the people that steam power could be used on land as well as on water. The railroad, in the early days, was nothing more than several stagecoaches joined together. They were mounted on wheels that would run on rails, drawn by a steam engine or locomotive. From this crude beginning, the modern, speedy, comfortable, streamlined train was developed.

Railroads took away much of the trade from the stagecoach, for they were cheaper to operate. They increased the amount of travel.

*Railroads of yesterday and today: the DeWitt Clinton and the 20th Century Limited.*



There was a greater exchange of trade between the western and eastern states. Wherever a railroad was built, new towns sprang up, farms increased, land prices boomed, and factories worked overtime. What an amazing growth from the slow moving "Tom Thumb," of one hundred years ago, to our modern streamlined locomotives of today, which can travel more than a mile a minute, drawing trains equipped with every conceivable comfort!

Today railroads have made vast improvements in speed, comfort, and safety. With the coming of the electric railway, and later the motor bus, railroads have met with keen competition. Especially is this true for short-distance traveling. For trips to more distant places, however, the railroad is still the most common means of travel. To compete with other methods of travel, railroads have introduced various kinds of services at reduced rates. Let us consider the many types of services which railroads offer to passengers.

*Selecting your service.* The accommodation or local train makes stops at every station and is therefore very slow. The limited or express trains stop at only the more important stations. For people who travel daily from their residences to some large city and back again, there is a commuters' train at reduced rates.

The extra-fare train is faster and better equipped for comforts and services than the regular train and, therefore, an extra fare is charged. On regular trains, coaches are cars for passengers who pay the regular railroad fare. The seats are not reserved. Extra mileage is charged, plus the space reservation, on Pullman cars which are owned by the Pullman Company and rented to the railroad companies. Pullman trains have sleeping, dining, observation, and chair or parlor cars. The parlor car is equipped with individual, comfortable chairs which may be reserved in advance. The observation car is always attached to the rear of the train. It has very large windows which enable you to get an excellent view of the scenery and a platform upon which people can be seated with comfort.

A recent addition to the services offered passengers is the library or club car. All sorts of conveniences and luxuries are provided for the passengers of these cars. They are equipped with comfortable chairs, a writing desk, magazines and other reading matter, and a



radio. The club car, therefore, fills a very important place for the traveler who requires and desires these comforts while traveling.

*Obtaining information.* Railroads operate many trains to many places at all hours of the day and night. You would not like to come down to a railroad station ready to start on a journey only to find, after waiting a few hours, that your train would not be in for six or seven hours more. To give information about train service, transportation companies supply a schedule called a *timetable*. The timetable shows the numbers and names of trains making certain runs. It also shows the time of arrival and departure at each station which is served by a specific train. The distance between each city on the route is indicated. To distinguish between A.M. and P.M., the A.M. hours are usually indicated in light type while P.M. is shown in heavy type. The services available on each train are listed so the passenger will know whether a particular train carries a dining car, Pullman service, observation, or club car. When a train travels through more than one time belt this information is also given. What do we mean when we say more than one time belt?

To help you answer this question, we remind you that at the present moment the time shown on your watch is not the same all over the United States. If your school is in the Eastern Standard Time zone and your watch reads 10:00 A.M., it is only 9:00 A.M. in the Central Time zone. In the Mountain Time area, it is 8:00 A.M.



while in the Pacific zone it is only 7:00 A.M. During the spring and summer, if your community operates on Daylight Saving Time, it will be 11:00 A.M. on your watch while the other areas remain as before, unless they also have Daylight Saving Time.

Every large railroad station has an information desk or booth. At this booth, the traveler may get definite information regarding train service. The purpose of the information desk is to facilitate the selling of tickets. It relieves the ticket seller from answering many questions and saves the traveler a long wait at the ticket window. Additional information may be obtained from the *Official Railway Guide*. The book is issued monthly. It contains timetables of all the railroads of the United States. In the back of an official railway guide is a list of all railroad stations of the United States, and the railroads by which they may be reached. Copies of this reference book are kept in all railway stations and railroad offices.

*Getting your ticket.* Before buying a ticket, you must decide which route and train is best for your purpose. Tickets may be bought at all railroad stations and also at railroad offices which are conveniently located in the business districts of large cities. When buying the ticket, be sure you get the kind you need. Examine it before you leave the ticket window. If a place may be reached by different routes, choose the one you prefer, and mention the train on which you intend to start. If a connecting line is used to reach your destination, tell the ticket agent what connecting line you wish to use. If a long trip is to be made, you may arrange for a *stopover*. You will be permitted to stop at various places for a few days.

Railroads offer many services for which various kinds of tickets are sold. You may buy a one-way ticket or a round-trip ticket. A round-trip ticket, frequently at a reduced rate, entitles the holder to one trip and return. For the convenience of the people who commute or go back and forth daily from their homes to their place of business, railroads sell commutation tickets at reduced rates. Railroads also sell scrip or mileage books. These books contain coupons, each good for a certain sum of money. The coupon may be used in payment of railroad tickets, or the book may be presented to the conductor on the train who tears out as many coupons as are required

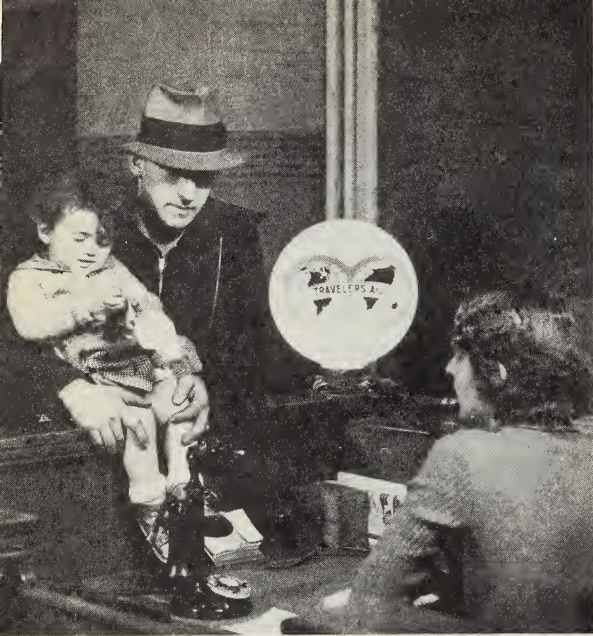


to make up the amount of fare necessary for the trip. Mileage books are popular with people who make frequent trips, since they are saved the trouble of buying a ticket every time they want to make a trip. Included in this group is the excursion ticket which is good for one trip to some particular place of interest and which must be taken at a certain time and on certain trains marked as excursion trains. Excursion tickets are not good on other trains. Travelers should be sure to take the right train, or else they will be required to pay an additional fare. If you buy a ticket and for some reason are unable to use it, you may return it to the railroad and the amount paid for it will be returned. A Pullman ticket will be refunded only before the train leaves.

*Your baggage.* How about the baggage you are taking for your trip? Railroads make provision for carrying the traveler's personal baggage. Hand baggage may be carried aboard the train and placed on the floor, or on racks above the passenger's seat. Trunks and other baggage which cannot be conveniently taken with you into the train are carried in the train's baggage car. You are permitted to check, without extra charge, baggage up to 150 pounds in weight and not exceeding \$100 in value. An additional charge is made for extra baggage and for extra valuation.

To have your baggage carried in a baggage car, it must be packed in a trunk, a box with handles, a traveling bag, or a suitcase. Each piece of baggage should be plainly marked with your name and address. Take your baggage or have it delivered to the *outgoing* baggage window where you must show your railroad ticket. The baggage agent will fill out a baggage-valuation form, punch and return your ticket, and make out a baggage check in duplicate. One is given to you and the other is fastened to the baggage. When you reach your destination, present your baggage check at the *incoming* baggage window, and claim your baggage.

Before you accept your baggage, examine it carefully. If you discover any damage due to careless handling, call attention to this fact by filing your claim for damages with the railroad company. If your baggage is lost, the railroad company is responsible for the amount written on the baggage-valuation form. A storage charge is made for



*When a traveler needs a friend.*

each day, excepting Sundays and holidays, that baggage is left at the station for more than twenty-four hours. In large railroad stations, porters or redcaps are always ready to help you with your hand baggage. For a small tip they will carry your bag or suitcase from your car or train.

For the convenience of travelers who wish to leave the station for a short time and who do not wish to carry their rubbers, umbrella, suitcase, or packages, parcel-checking rooms are maintained in all large railroad stations.

The usual charge is ten cents per parcel for each twenty-four hours or less. Railroad stations and many public places now have metal parcel-lockers. By placing ten cents in a slot of this locker, the traveler can lock his parcel in until he is ready to take it out, usually within twenty-four hours.

Many passengers, because of haste or carelessness, leave articles behind when leaving a train. Lost articles, when found, should be given to the conductor who will forward them to the lost-and-found department. If you discover your loss before leaving the train, notify the conductor. If you discover your loss after leaving the train, put in a claim at the lost-and-found department.

In railroad and bus stations of the large cities, there is a Travelers Aid Society whose services are available for any inexperienced (or experienced) travelers. The representatives are on duty at practically all hours of the day or night, and if they are not on duty, will come to the office at a call to assist those in need of help. Old people, children, men and women, foreigners, or any others who are unaccustomed to the confusion of large terminals, may have helpful advice on finding hotels and lodging places, friends or relatives of the traveler, or any other assistance that may be needed.



6. **Travel by Water.** Up to this point our journey has been limited to travel on land. You know, however, that many travelers prefer to sail the rivers, lakes, oceans, and seas. You are undoubtedly interested in travel by water, although your experience may be limited to a ferry or an excursion-boat outing.

Robert Fulton was the first man to bring steam navigation to a commercial success. Fulton inspected the work of other inventors and selected the best of what they had done. After many experiments, Fulton succeeded in building the "Clermont." This boat made her trial trip from New York to Albany, a distance of 150 miles, in 32 hours, and the return trip in two hours less. The "Clermont" had maintained an average speed of five miles per hour against the current. This was the first voyage of any length ever made by a vessel under steam alone. From this time onward, steamship building proceeded with great rapidity. As experience was gained, better ships were built.

In 1819 regular steamship service was established between the United States and Europe. The "Savannah," an American ship, made her first crossing on May 24, 1819, in a little less than twenty-nine and one-half days. It was not long before wooden ships were replaced by iron, and later by steel ships. Today, most ocean-going ships are made of steel and are operated by either steam or oil. Many passenger liners now cross the Atlantic in five days or less—a great improvement over the "Santa Maria" which took more than two months.

Trips on the ocean have become very popular. Steamship lines run at frequent intervals to all parts of the world. Passengers traveling to foreign lands make reservations weeks ahead of time.

*The steamship of yesterday: the  
S. S. Savannah.*





*The steamship of today: the Santa Rosa of the Grace Line.*

Reservations are at a premium during the summer months, for that is the season when many people plan their vacations and therefore traffic is heaviest. Passenger steamship lines operate from many ports of the United States and cover several well-established routes.

Although passage to European countries may be booked from many of our Atlantic ports, the route from New York to Western Europe is the busiest. Since the section about New York is densely populated and has excellent means of transportation to other parts of the United States, most of the ocean-going steamships make this port their point of departure. For those who wish to travel to the Hawaiian Islands, the Philippines, or the east coast of Asia, there are frequent sailings from the principal ports of our Pacific coast.

*You plan a voyage.* Let us assume that your family is planning to make a voyage to some foreign land. You may find it beneficial to consult some of the reliable travel agencies, especially if this is your first trip. These agencies are located in the business sections of our large cities. They issue illustrated booklets containing a complete description of their tours, together with schedules and costs and not only sell tickets but plan trips under experienced directors. Complete information about traveling may also be obtained from representatives of steamship companies, special travel departments in banks, airplane and bus-line terminals, and some department stores.



Travel agencies also arrange personally conducted land trips and sea cruises. The itineraries are prepared by experts with many years of experience. Every expense may be included in the cost of your ticket: transportation, meals, hotel accommodations, admissions to points of interest, guide fees, and even tips to bellboys and hotel waiters. Your worries are assumed by the tour director. Everything is arranged for your comfort and pleasure, and you are relieved of all the bothersome details. Tours have other advantages. Traveling in groups may be less expensive than traveling alone and the traveler knows exactly what the cost of the trip will be, before he starts. In addition, it may give a peace of mind and a sense of security to the inexperienced traveler. However, if you like to browse and to explore places on your own, ponder well before you tie yourself up to a daily, fixed schedule planned months in advance.

*Selecting accommodations.* The cost of a trip on an ocean-going steamship depends upon the speed and size of the boat and the class of accommodations chosen. A steamship ticket includes transportation for the traveler, a limited amount of baggage, stateroom or sleeping accommodations, and meals. Steamship rates are slightly higher during spring and summer or the tourist season, when traffic is much heavier than during the autumn and winter.

The accommodations on ocean liners are usually divided into classes. The first class is luxuriously furnished and is the most expensive. The other classes, cabin class, second class, and tourist third class, are less expensive. Tourist third class is preferred by many traveling students and has become very popular.

The most modern ocean liner can make the trip across the Atlantic from New York to England or France in five days or less. Slower boats require seven or eight days and perhaps more according to their route. Many of the ocean liners are luxuriously furnished and are provided with everything possible for the comfort and convenience of passengers. The staterooms are usually large and air-conditioned. Passengers are provided with radio service, the ship's newspaper, and reading material. There are large, attractive dining rooms where excellent meals are served. Ample provision is made for entertainment and sports. Motion pictures, dancing, orchestral

concerts, swimming pools, sports, and interesting acquaintances have made ocean voyages a delight for many who venture to cross the sea.

*Obtaining a passport.* For the protection of its citizens who wish to travel to foreign countries, except Canada, the government of the United States issues *passports*. A passport is a permit which certifies that you are entitled to all the privileges and courteous treatment to which American citizens are entitled in foreign lands. Passports also act as a means of identification for travelers abroad or upon their return to the United States. To secure a passport it is necessary to present acceptable evidence of American citizenship. An application for a passport may be secured from the State Department at Washington, or from the Department of State located in the larger cities of the United States. Remember that you cannot travel in foreign countries unless you obtain a passport before you sail.

Passports must be approved by the representative of each foreign country the traveler expects to visit. Upon approval, the representative of the foreign government places an official stamp, called a *visa*, on the passport which permits the holder to enter his country. Travel agencies or steamship agencies from which the ticket is bought will attend to these visa details at your request.

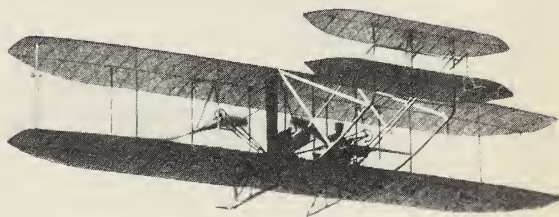
Through government regulation and co-operation, traveling by water has been made reasonably safe. The government issues weather reports, broadcasts storm warnings, inspects steamboats, controls the licensing of pilots, builds lighthouses, widens and deepens harbors and does everything possible to assist and encourage traveling by water.

**7. Travel by Air.** So far we have traveled by land and by sea. Have we exhausted our means of transportation? If we were living in the world of yesterday prior to 1903, our answer would be, "yes." In the world of today, it is definitely, "no." Air travel is here to stay because it is speedier than any of the other methods devised up to the present time. For people who require or desire speedy transportation, air travel meets all requirements. It may be quite some time before you can afford the thrill of an air flight, but we know that aviation interests you, so let us at least consider the possibility of air travel during our journey.

The world's first successful airplane flight was made by the Wright Brothers in 1903 at Kitty Hawk, North Carolina. The machine rose to an altitude of 120 feet and remained aloft for twelve seconds. This experiment proved that a heavier-than-air machine, capable of carrying a man, could be flown successfully. Another forward step in the conquest of the air was made in 1909 when Louis Bleriot, a French aviator, flew across the British Channel in a half hour. This was heralded as a daring feat at that time. The World War gave a tremendous impetus to the progress of flying. Fast planes were needed for fighting. Engines were made more efficient and more horsepower was developed. As the war ended, America had better ships and also a large corps of trained young fliers, who were ready to carry on commercial flying.

The first experimental air-mail route between Washington and New York was established by the United States government in 1918. Later a line to Chicago was established, and in 1920, the line was extended to San Francisco. In 1921, overnight service was offered between New York and Chicago, and in 1923, the mail was carried from coast to coast. In the years that followed, other men and women came forward to make contributions to aviation. In 1926, Commander Richard Byrd flew over the North Pole. A year later, Charles Lindbergh made a solo flight from New York to Paris. In June of the same year, Clarence Chamberlain flew from New York to Germany. In 1933, Wiley Post circled the earth in a little more than seven days. Two years later, Amelia Earhart made the first solo flight between Honolulu and Oakland, California, a distance of 2408 miles, in 18 hours and 16 minutes. In 1937, Howard Hughes

*Up in the air—yesterday and  
today.*





flew from Los Angeles to Newark, New Jersey, in seven hours, twenty-eight minutes, and twenty-five seconds, an average of 332 miles per hour. In 1939, regular weekly air-line-passenger service between the United States and Europe was established. Thus, over a short period of time, the airplane has brought about a new method of travel which is becoming very popular.

Airplanes offer air-mail, passenger, and express service. Since the first experimental air-mail route was established, great strides have been made in carrying mail. More landing fields were constructed and the mail tonnage grew. Flying night and day, mail is carried from coast to coast in a remarkably short time. Besides air mail, airplanes carry express. However, because of the necessarily high rates, articles are carried by airplane only when speed is more important than expense.

Most of the air lines, like railroads and bus lines, have regular time schedules and publish timetables giving complete information to the traveler. Tickets and timetables may be obtained at the offices of the air line, at railroad stations, travel bureaus, railway-express agencies, large bus lines, and hotels. Today there are many miles of regularly scheduled air routes, extending into most of the important centers of population throughout the United States. There are also several lines which connect the United States with the principal cities of Europe, Mexico, Central and South America, Canada, and Alaska.

Airplane travel is by far the fastest of all means of transportation. The cost of travel by air is higher than the cost of other methods of travel. Airports are usually located at some distance from the center of a city. It takes time to get to and from the airports. For short distances, air travel does not save much time and costs more than train or bus travel. For long distances, the cost is not much more than that by extra-fare train. A saving of time reduces the expense of traveling. You will not need the same number of meals and overnight lodgings if you can reach your destination in half the time. People who are not pressed for time usually do not care to pay the slight extra cost for air service.

Airplanes have made great improvements in their provision for



passenger comfort. The cabin is wider than a standard railway coach, and is air-conditioned. Passengers are able to move about the cabin and converse in normal tones by virtue of the sound-proofing that blots out the roar of the engine. Equipped for daytime use, it seats from thirty-two to forty passengers with two seats on each side of a middle aisle. Lounges for men and women are sufficiently large so that several persons can dress there at one time. Small generators provide an electric current that operates individual lights, curling irons, and show-ers. At night the seats are put together and upper berths lowered, Pullman style, to provide sleeping accommodations.

On a long-distance plane there is a stewardess who serves meals, makes up berths, and looks after the comfort of the passengers. Some lines are provided with noiseless typewriters, stationery, reading material, a tray-table that fits across the arms of your chair, playing cards, and cigars or cigarettes. The stewardess will answer questions in regard to places of interest and furnish you with a route map that will enable you to follow the progress of the plane.

The safety of air travel has increased greatly due to the co-operation of the government. The Department of Commerce supervises the construction of planes and inspects them periodically. Pilots are highly trained men and are licensed by the United States government. They undergo regular physical examinations and must pass periodic tests for *blind flying*. Blind flying means that the pilot cannot see where his plane is traveling. This may be due to bad weather or other flying conditions. He must depend entirely on instruments within his plane for an indication of where he is and



*Complicated? Not to the pilot who sits on the left and the first officer on his right.*

where he is going. You can understand the meaning of blind flying if you picture yourself driving a car. Imagine that the windshield and all the windows are completely covered with black cloth. Yet you have to operate the car.

A plane is equipped with instruments that direct the pilot in his flying. A radio-phone permits two-way communication between the plane and the ground. By the use of headphones, the pilot receives signals, called the *radio beam*, that tell him instantly if he is wandering off his course. Airports are equipped with powerful electric lights and other conveniences. Beacons with powerful lights, placed every few miles, guide the pilot in his flying at night, in case of poor visibility.

To prevent crashes due to flying in fog and storm, the United States Weather Bureau broadcasts weather reports which help the pilot to determine whether a flight shall be made or, if in flight, to avoid danger. All these improvements—better constructed planes, highly trained pilots, accurate instruments, radio beacons, and weather reports—have greatly increased the safety of air travel.

**8. Advice for the Traveler.** Unless you are traveling by trailer, you will have to obtain food and lodging. A little knowledge about the accommodations available will be helpful on any overnight trip.

*Hotels.* A good hotel may be considered as a temporary home. Excellent food is served. Sleeping accommodations are comfortable. You may have your clothes laundered, cleaned, or pressed at any hour of the day or night. A safe storage place is provided for your valuables. As soon as mail arrives it is held for you during your stay at the hotel. The hotel will forward your mail, if you leave a forwarding address. In fact, every attempt is made to satisfy your needs as promptly and as courteously as possible.

Hotels are operated either on the American or the European plan. Where the American plan is used, the guest is charged a daily rate which includes the cost of the room and the meals. When the hotel is operated on the European plan, the amount charged is for the room only. A separate charge is made for meals if desired. The European plan is preferred by many travelers because they are then free to eat wherever they wish.

If you are an inexperienced traveler going to a strange city, you should obtain information which will help you in selecting a desirable hotel. The Hotel Red Book, the official directory of the American Hotel Association, contains much information in regard to number of rooms, rates, names, and locations of hotels. The Travelers' Aid Society, located in the railroad depot of any large city, will advise and assist you in obtaining desirable lodgings. You can usually get accommodations or information at a Y. M. C. A. or a Y. W. C. A.

In order to be sure of getting a room in a hotel, reservations may be made in advance. Hotels at summer or winter resorts are likely to be crowded, and unless reservations are made ahead, you may find yourself without accommodations. Reservations may be made by telephone, telegraph, or letter. A request for a reservation should specify either a single or double room, with or without bath, and should indicate the rate you wish to pay, and the length of time you intend to stay. If you discover that you are unable to use the room, it is courteous to notify the hotel and cancel your reservation.

Upon arrival at the hotel, you will be asked to write your name and address in a register. This is known as *registering*. If you have no baggage, you will be required to pay for the use of the room in advance. If you register with baggage, you will not be asked to pay for your accommodations until you are ready to leave. After registering, a bellboy will show you to your room and carry your luggage.

It is customary to give tips to employees of hotels for attending to your many needs. For carrying your bag to your room, or for running errands, a small tip should be given to the bellboy. A larger tip is usually given to porters who carry your trunk to your room. The waiter in the dining room is frequently given ten per cent of the cost of the meal.

When you are ready to leave, return your room key to the desk and pay your bill. This is known as *checking out*. Many hotels give their guests itemized bills which include the charge for the room, and any other special charges such as laundry service, clothes-pressing, valet services, telephone calls, theater tickets, news-stand services, and restaurant bills.



*Tourist homes.* If you are traveling by car you may prefer to stop at tourist homes and cabin camps instead of hotels. Tourist homes have become popular because they are cheaper than hotels and are conveniently located along the motor highways. Some tourist homes offer excellent meals and accommodations but lack the convenience of desirable hotels. Tourist homes and cabins have been investigated by automobile associations which issue guide books listing those places which have been approved. Many state governments supervise tourist homes and camps to insure sanitary conditions and to see that they are properly conducted.

*Summer places.* If you decide to spend your vacation in one place, write for information concerning the resort to the nearest Chamber of Commerce, to a newspaper, or to any travel agency. Beautifully illustrated folders, including the prominent hotels, their rates, and accommodations will be given to you on request. Resort hotels are found at the seashore, on rivers and lakes, and in the mountains. Some are open during part of the season, while others operate all year round. The hotels at these resorts offer excellent accommodations and are equipped with facilities for all kinds of sports. Because of the short season, summer hotels usually charge more than hotels in the city. Most summer hotels are operated on the American plan.





For people who cannot afford the luxuries of a hotel, and especially for families with several children, there are many bungalows, private homes, and boardinghouses. They usually offer clean, comfortable accommodations at a reasonable cost. These places do not have the rules, regulations, and restrictions of hotels, and are more homelike in atmosphere.

*Youth hostels.* An idea imported from Europe is to provide non-profit overnight accommodations for young people who are traveling from place to place. This is a co-operative arrangement to give to members, who pay a small annual fee, access to shelters which are located in many desirable resorts and points of interest all over the country. The hostel guest must be traveling under his own power. This means that he must be hiking or bicycling. Many high-school students have found this a very inexpensive and adventuresome way of seeing the country. The hostel is supervised by interested adults and many friendships are formed within its hospitable walls.

*Traveler's money.* If you expect to be away from home for any length of time, you will require a considerable sum of money to pay for your traveling expenses. Experienced travelers have found that it is unsafe to carry large amounts of cash. How can you provide yourself with the necessary funds? Determine how much money you will probably need. Always allow an extra amount for emergencies which may occur. Go to your local bank, express office, or tourist agency and buy traveler's checks for the amount of money needed. In Chapter VI, we learned how and where to purchase these checks.

A *letter of credit* may be most convenient if you are making a very long trip. Suppose you estimate that you will need \$300 for the entire trip. Your local bank or express company will sell you a letter of credit for this amount. This letter certifies to certain banks, which have relations with your bank, that they are authorized to give you on written request any amount up to \$300 which will be repaid to them by your bank. The amount you withdraw from any bank on your trip is entered on the back of the letter. In this way, you always know how much money is still available on your letter of credit. There is also a small charge for letters of credit.

## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter :

1. Transportation is an important factor in the world of today.
2. The automobile has brought about many social, economic, and industrial changes.
3. Automobile transportation has many advantages.
4. There are also many dangers involved in automobile travel.
5. Unlicensed operators should not drive automobiles.
6. Busses supply many needed transportation services at a reasonable cost.
7. Electric railways at one time played an important role in urban and interurban transportation.
8. Railroads, although affected by the competition of autos, busses, and trucks, are still an important factor in transportation.
9. Railroads offer many services and facilities for the convenience of travelers.
10. Transportation by water, although slower than other methods, is still very popular with many travelers.
11. A traveler to foreign countries must provide himself with the necessary credentials.
12. Aviation is rapidly becoming an important means of transportation.
13. Airplane travel is the fastest and most expensive of all means of transportation.
14. When selecting transportation facilities, a traveler must consider the question of expense, convenience, comfort, and speed.
15. Hotels, tourist homes, cabins, camps, and hostels provide accommodations for travelers.
16. Since it is not safe to carry large sums of cash on a trip, a traveler buys traveler's checks or a letter of credit.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-34 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. All of us were much better off when people were born and died

in the same place without ever leaving it. What do you think about this statement?

2. Tell the class about some of the places of interest to which you have traveled.

3. If you had the opportunity, where would you like to travel, and what method of transportation would you prefer to use?

4. In your opinion, why has the automobile developed so rapidly in the United States?

5. Name at least ten industries or businesses which owe their development to the invention and perfection of the automobile.

6. Give some of the advantages which the automobile possesses as a method of transportation.

7. What do you consider to be the disadvantages of travel by automobile?

8. If you expected to start out in the near future on a long automobile trip what arrangements would you take care of in advance?

9. Do you believe that students who are too young to have automobile licenses should operate a car without such a license?

10. The owner of every automobile should be compelled to carry public-liability insurance. What is your viewpoint on this statement?

11. The interests of pedestrians are directly opposed to the interests of automobile drivers. True or false? Why?

12. Why use busses? Discuss.

13. What electric railways operated in your community several years ago? Which of these railways are still in operation?

14. The railroad is rapidly passing out of the transportation picture. Do you agree with this statement? Discuss.

15. The railroad business was so well established by the time busses were developed that busses have not been able to influence railroad business at all. Discuss.

16. Tell the class about some of the railroad services which are now available.

17. When, why, and how would you use a timetable?

18. A time belt is a section of the country where clocks and watches are manufactured. True or false? Why?

19. When you wish to travel on the railroad there is but one type of ticket which you can buy. Discuss.

20. Explain some of the railroad facilities which are available in addition to transportation by trains.

21. Assume that you are planning a long railroad trip. What would you do about your baggage?
22. Tell the class about Pullman service. If you have ever traveled on a Pullman, describe your experience.
23. What services are performed by The Travelers Aid Society?
24. Tell the class something about the invention of steamboats.
25. Describe some of the steamship services which are available.
26. Assume that you are planning a cruise. What arrangements will you have to make before you leave?
27. A passport is the same as a visa. Explain.
28. If you could take a trip to Europe, would you prefer to buy an organized tour, or would you rather travel independently? Why?
29. Some people prefer to travel by air. Explain.
30. Name some of the air services which are now available.
31. Identify at least four of the following: Wright Brothers, Lindbergh, Bleriot, Byrd, Post, Earhart, Hughes.
32. Why do many people prefer to stop at hotels? Discuss.
33. The European plan of hotel service is used exclusively in Europe while the American plan is used only in America. Explain.
34. Describe the use of hostels.

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

access	denominations	inventive	relieves
arousing	destination	itemized	religious
arrival	electrical	jealousy	schedules
authorized	excursion	license	skiing
baggage	experimental	lounges	steering
beneficial	flexible	luxurious	tonnage
bicyclists	foreign	maintenance	tourist
bungalows	generators	manicurist	tremendous
commutation	genius	modeled	unaccustomed
conceivable	handicapped	monarch	valet
corps	Hawaiian	Philippines	verify
craning	intercity	preferred	virtue



## THE FIRST OF THE THREE R'S—READING

accessible	hostels	pier	trailer
adjacent	itineraries	route	transportation
aviation	jaunts	scenic	vehicles
berths	mileage	scrip	visas
decade	obsolete	staterooms	visibility
facilitate	passports	stewardess	wanderlust

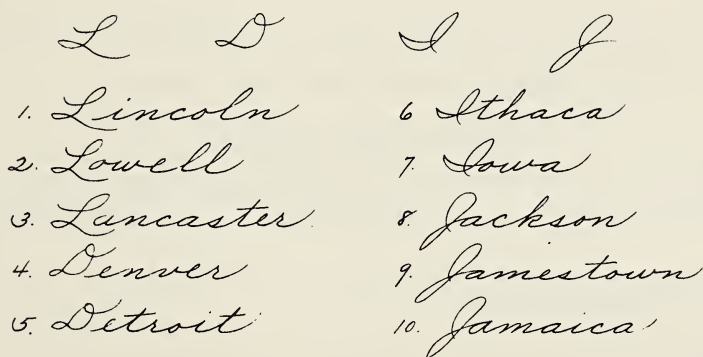
## THE SECOND OF THE THREE R'S—WRITING

Study the form of these four capitals carefully. The down stroke in the capital *L* and *D* are made in the same way. Both letters have a narrow loop at the base line. The capital *D* should close at the top and end with a small loop.

The capitals *I* and *J* are both made with a clockwise motion. The slant is an important thing to remember in writing these two letters. Both capitals are joined in writing a word.

Continue to check your posture and position carefully and see that the hand is held in a rounded position with the nails of the third and fourth fingers gliding over the paper.

Write the exercise, giving close attention to the spelling of the words. Can you locate the cities mentioned in this exercise?



## BUILDING BUSINESS HABITS

### Job 1—

- Make a list of the places to which you have traveled.
- Next to each place visited make a note of the transportation used.

- (c) Which method of transportation have you used most frequently? Why?

**Job 2—**

- (a) Just imagine that you can rub Aladdin's lamp and travel where your heart desires. Note the places you would like to visit.  
(b) Which methods of transportation would you use in each case? Why?

**Job 3—**

- (a) Make a list of the factors which have helped the United States to become the world's largest producer of automobiles.  
(b) List industries which are related to the manufacture of automobiles.  
(c) What are some of the street and highway businesses in your neighborhood which depend on the automobile for their livelihood?

**Job 4—**

- (a) Make a list of the raw materials used in manufacturing automobiles.  
(b) If there is an automobile assembly plant in your vicinity, visit it to observe the "assembly line." Prepare a written report on your visit.

**Job 5—**

- (a) Review the material on travel by automobile.  
(b) Set up a chart to show the information in this way.

**AUTOMOBILE TRAVEL**

Characteristics	Advantages	Disadvantages
-----------------	------------	---------------

- (c) Complete the chart.

**Job 6—**

- (a) Assume that you are starting on a long automobile trip.  
(b) Jot down some of the things you would take care of in advance.

**Job 7—**

- (a) Plan an automobile trip to a place about 100 miles from your home.

- (b) Places of interest? Stops for meals? Recreation? Maps? Route?

Job 8—

- (a) Repeat Job 7 for a trip 300 miles each way.  
(b) Make provision for stopovers and other factors not involved in the shorter trip.

Job 9—

- (a) Resolved: "That all automobile owners should be compelled by law to carry public-liability insurance."  
(b) Prepare arguments on both sides.

Job 10—

- (a) Collect maps and folders showing automobile routes, interesting places to visit, and rules and regulations for safe driving.  
(b) Prepare a class exhibit of your material.

Job 11—

- (a) Review the material on transportation by bus.  
(b) Set up a chart to show the information in this way.

BUS TRANSPORTATION

Kind	Characteristic	Advantages	Disadvantages

- (c) Complete the chart.

Job 12—

- (a) Collect clippings, folders, pictures, timetables, and descriptive materials on travel by bus.  
(b) Prepare a class exhibit of this material.

Job 13—

- (a) Select some place you would like to visit about 200 to 300 miles distant.  
(b) Calculate the cost of the entire trip by automobile including necessary food and lodging for one person.  
(c) Do the same for the identical bus trip.

Job 14—

- (a) Repeat Job 13(a), (b), and (c) for three people.  
(b) Repeat it for five people.

- (c) What are your conclusions from these figures? Save your figures for later use.

**Job 15—**

- (a) Review the material on electrical railways.  
(b) Prepare a chart of the information in this way.

**ELECTRIC RAILWAYS**

Kind	Characteristics	Advantages	Disadvantages

- (c) Complete the chart.

**Job 16—**

- (a) Collect pictures or references to horsecars, steamcars, cable trolley cars, combination or trackless trolley cars, subways, and elevated railways.  
(b) Prepare a class exhibit of this material.

**Job 17—**

- (a) Prepare a brief history of railroads in the United States.  
(b) Make your report interesting and give it in class.

**Job 18—**

- (a) Collect illustrated materials on railroads. Any railroad will gladly supply material.  
(b) Prepare a class exhibit.

**Job 19—**

- (a) Review the material on railroad transportation.  
(b) Prepare a chart to show the information in this way.

**RAILROAD TRANSPORTATION**

Characteristics	Advantages	Disadvantages

- (c) Complete the chart.

**Job 20—**

- (a) Make a list of all the railroad services which are available to the traveler.



(b) Which of these services would interest you? Why?

Job 21—

- (a) Visit your local railroad station.
- (b) Ask the station agent for local and long-distance timetables.
- (c) Note all the points of information which are included on the timetable.

Job 22—

- (a) Use one of the timetables obtained in Job 21.
- (b) Your teacher will give you instructions on how to read the timetable.
- (c) Practice calculating distances between certain stops and determining arrival and departure times.

Job 23—

- (a) Prepare a chart to show the correct time in all time zones at the hours indicated below in your zone.



### TIME, PLEASE?

Time in Your Zone	Time Zone 1	Time Zone 2	Time Zone 3	Time—Daylight Saving
Sunday . . . . . 3 P.M.				
Saturday . . . . . 1 A.M.				
Friday . . . . . 9 P.M.				
Thursday . . . . . 2 P.M.				
Wednesday . . . 10 A.M.				
Tuesday . . . . . 7 P.M.				
Monday . . . . . 11 P.M.				
Sunday . . . . . 12 P.M.				
Saturday . . . . . 12 A.M.				

- (b) Complete the chart.

Job 24—

- (a) Visit your local railroad ticket office.
- (b) Prepare a chart of the types of railroad tickets available.

## RAILROAD TICKETS

Kind	Service Included	Cost to a Certain Place
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(c) Complete the chart.

### Job 25—

- (a) Refer to Jobs 13 and 14.
- (b) Calculate the costs for the same trip by railroad.
- (c) Add this information to the figures for the auto and bus trips.

### Job 26—

- (a) Make a list of railroad services furnished in addition to trains.
- (b) Make a visit to railroad yards, stations, roundhouses, or other local facilities.

### Job 27—

- (a) Plan a railroad trip, tour, or excursion to any place of interest. Include stopovers, routes, cost of meals, lodging, and all expenses.
- (b) List the steps involved in taking care of your luggage.

### Job 28—

- (a) Collect facts about early steamboat transportation.
- (b) Prepare an interesting written report to be read in class.

### Job 29—

- (a) Review the material on water transportation.
- (b) Set up a chart to show the information in this way.

## WATER TRANSPORTATION

Kind	Characteristics	Advantages	Disadvantages
------	-----------------	------------	---------------

(c) Complete the chart.

### Job 30—

- (a) Collect illustrated folders on water transportation and cruises.
- (b) Prepare a class exhibit.
- (c) If possible, visit a large steamer and make a tour of inspection. Prepare a report for your class.

Job 31—

- (a) Refer to Jobs 13, 14, and 25.
- (b) Calculate the costs of the same or a similar trip by boat. Add your figures to those previously accumulated on the auto, bus, and railroad trips.

Job 32—

- (a) Imagine that you can afford a cruise to some foreign port.
- (b) Make all of the necessary plans and arrangements.
- (c) Assume that your cruise will take you to Europe. Obtain information about passports and visas.

Job 33—

- (a) Collect facts about the history of aviation.
- (b) Prepare an interesting class report.

Job 34—

- (a) Review the material on air travel.
- (b) Set up a chart to show this information in the usual way.

Job 35—

- (a) Collect illustrated materials on travel by air.
- (b) Prepare an exhibit of this material.
- (c) Visit a local airport and inspect the facilities. Prepare a report of your visit.

Job 36—

- (a) Refer to Jobs 13, 14, 25, and 31.
- (b) Calculate the costs for the same trip by air.
- (c) Add these figures to the others accumulated.
- (d) Which method of travel would you use for specific trips? Why?

Job 37—

- (a) Review the material on advice for travelers.
- (b) Make a check list of all the points to remember when traveling.

Job 38—

- (a) Identify the following:

Commuter  
Excursion Ticket  
Mileage or Scrip Book  
Excess Baggage

Club Car  
Pullman Service  
Time Belts  
Redcaps

Job 39—

- (a) Set up a master chart showing all forms of transportation.

TRANSPORTATION

Method	Main Characteristics	Advantages	Disadvantages
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- (b) Complete the chart.

THE THIRD OF THE THREE R'S—ARITHMETIC

Situation 1—

- (a) Assume that on a recent automobile trip, you traveled twelve days. You covered an average of 243 miles in eight and one-half hours of driving each day. Your party of five spent an average of \$2.15 a day per person for food and lodging. Your car expenses are about two and three-quarter cents per mile.
- (b) Calculate total mileage.
- (c) Calculate total car costs.
- (d) Total food and lodging expense per person?
- (e) Total food and lodging bill for the party?
- (f) Total expense for the entire trip?
- (g) Each person's share of the expenses?

Situation 2—

- (a) A friend of yours and his parents took an automobile trip from Easton, Pennsylvania, to Los Angeles, California, a distance of approximately 3000 miles. They averaged ten hours of driving a day at forty miles an hour. Their car travels about fifteen miles on a gallon of gas and about 500 miles on a quart of oil. Meals and lodging for each person averaged \$2.30 a day.
- (b) How many days did the entire trip take, assuming that they spent ten days in stopovers?
- (c) Calculate the gallons of gasoline and quarts of oil used.
- (d) The average cost of gasoline was \$.16 $\frac{1}{4}$  per gallon and oil was \$.25 per quart. What was the cost of fuel?
- (e) What per cent of the trip was made each day?
- (f) Food and lodging cost per person?
- (g) Total cost of the trip for the family?



Situation 3—

- (a) Minneapolis, Minnesota is 441 miles from Chicago, Illinois. A train leaving Chicago at 11:10 P.M. Sunday arrives in Minneapolis 9:10 P.M. Monday. How many miles per hour does the train average including stops?
- (b) Portland, Oregon is 2322 miles from Chicago on the same line as Minneapolis. How many miles does a passenger travel who boards the train at Minneapolis?
- (c) The train in Situation b left Minneapolis Monday at 9:10 P.M. and reached Portland at 7:30 P.M. on Wednesday. How many hours did the trip take from Minneapolis?
- (d) Average speed per hour for Situation c?

Situation 4—

- (a) A one-way ticket between two cities costs \$1.12. A round-trip ticket costs \$.90. A monthly-commutation ticket costs \$14.40. A fifty-trip family ticket costs \$23.00. A ten-trip ticket costs \$6.80.
- (b) Calculate the cost per single trip on each ticket. Set up your information in table form.
- (c) What is the per cent of increase on the cost of a single ride between a one-way ticket and a commutation ticket which is used twenty-five days a month?

Situation 5—

- (a) In the Travel Section of your Sunday paper, you saw the following cruises advertised:

Bermuda Cruise .....	13 days	\$125.00
Nassau .....	6 days	55.00
Nova Scotia .....	4 days	45.00
Quebec and Montreal .....	9 days	70.00
Labrador .....	11½ days	135.00
Cross Country .....	14 days	205.00
Saguenay River .....	9 days	99.50

- (b) Compute the daily cost of each trip.
- (c) Per cent of increase between the most expensive and least expensive trip?





## XII

### THE SETUP OF BUSINESS TODAY

**STOP! THINK!** *Can you answer these questions before you read this chapter?*

1. *Who owns the business firms in your community?*
2. *Suppose you wanted to start a business. How would you go about it? How would you organize it so that it would operate efficiently?*
3. *How would you go about getting and holding a position?*

#### PART ONE: THE OWNERSHIP OF BUSINESS

1. **Who Owns the Business?** Have you ever stopped to think about who owns the many business firms in your community? When you need something from the store, it is natural for you to go to the telephone, call the merchant, and ask him to deliver your order. But just who owns the telephone you use? How is the grocery store owned? Who owns the company which made the truck or bicycle which the delivery boy used when he brought your package? In this chapter we shall discuss business ownership and operation so that you may understand the field of business more completely.

2. **The Sole Proprietor.** Let us suppose that you wanted to start a newspaper route. You would visit the people in your neighborhood and ask them to let you deliver their papers. Then you would go to the newspaper office and get the papers. Perhaps you would pay for them at the time you took them, but more likely you would arrange to pay for them once each week. Because you were in business the company would sell you the papers below the price at which you would sell them to your neighbors, in order to permit you to make a profit. All of this profit would be yours. It would be your reward for the service you rendered by delivering papers. You would not have to share it with anyone. In this illustration you would be a



*"I am the boss."*

single proprietor. You would own the business, and you would take all the profits without sharing them. If you lost money on the enterprise, it would be your own hard luck. A *single* or *sole proprietorship* is a form of business ownership which is in the hands of one individual. It happens to be a fact that most of the businesses in the United States are owned by individuals. Why are so many organizations owned by one person? What kinds of business are usually owned in this way?

It is only natural for each one of us to wish to operate his own business without the interference of others. For this reason, businessmen go into business alone. Because they have no one to help them financially, these people must supply the money themselves. We see, therefore, that this form of business ownership is useful only in those business enterprises which do not require a large sum of money for their operation. The single proprietorship is usually found in small businesses because of the lack of great financial strength. Dyeing and cleaning shops, local groceries, gasoline stations, drug stores, stationery stores, and similar establishments are examples of organizations owned by one individual.

Suppose that you are interested in starting a business. Why should you consider the sole proprietorship form of organization? It is easy to form: you start your business and that is all there is to it. You do practically as you please in operating the business. You are the big boss. If you prefer to keep everything about your business a secret, it is entirely up to you. If you work hard to please your customers you should succeed. All profits which remain after expenses have been paid are yours. With minor exceptions, the government will not have any control over your business affairs. If you are offered



a profit on your business and wish to sell it, you are free to sell it. No one can or will stop you. If you decide to go out of business, that, also, is entirely up to you.

Do not assume for a moment, though, that the single proprietorship form is an unmixed blessing. Like all things it has its disadvantages. You will find it difficult to raise large sums of money which you may need at times to operate your business. Everything depends on you and you must carry all of the final responsibility on your own shoulders. Furthermore, if your business should fail, you may have to give up your personal property—savings, automobile, or even your home to pay your business debts. Should anything happen to you, the business would be disorganized.



It is mainly because of these disadvantages that business began to use different types of organizations. If you were a businessman, what would you do to make it easier to raise money or to share the debts and responsibility of operating the business with someone else? You would probably invite a friend to enter the business with you.

3. **The Partnership.** Is it not easy to understand that when a business enterprise begins to expand and when there is a need for someone who has a personal interest in the business to help with the management and finance, a *partner* should be invited into the organization?

What kinds of business are owned by partners? Usually those types which require more money and more people to operate such as larger stores, small factories, lumber yards, and other similar establishments which may be too great for one man to control and manage efficiently.

Suppose two or more people agree to form a *partnership*. They usually go to a lawyer and have him draw up a contract or *Partnership Agreement*. This agreement states the conditions under which the

organization is to be carried on and acts as a guide during the life of the business. A partnership usually lasts longer than a single proprietorship. The partnership may be dissolved when both partners agree to call it quits or when the business fails. The death of either partner ends the original partnership. Generally, however, the wife or heir of the deceased partner may take over his interest and the business then continues.

Another characteristic of the partnership is that each of the partners is liable personally for the debts of the business. Thus, if the partnership owes \$800 and if there is not enough money in the business to pay it, the creditor may claim the money from either or all of the partners. If one partner does not have any personal property, the whole amount may be taken from the personal property of the other partner. The profits in this form of organization are divided equally unless the partnership agreement provides for some other division.

Why should you consider the partnership form of organization for your business venture? A partnership can raise more money to finance the business than a sole proprietorship because more than one



person is investing some capital. It can also obtain more credit than a single proprietorship because the creditor who sells the merchandise knows that all of the partners are personally liable for the firm debts. The profits remaining in a partnership belong entirely to the partners.

There are also some disadvantages in the partnership form of organization. Each partner is personally liable for the debts of the business. Since both partners have equal authority, as a rule, it may be difficult to make important decisions because of failure to reach an agreement. The existence of a partnership depends on the health and life of its members. If one partner dies the partnership terminates.

In view of these disadvantages, what course is open to a group of partners who wish to expand their business? How can they protect their personal property from business losses? How can they get more capital with which to help their organization grow if there are so many disadvantages to the partnership form? The answer is that they form a corporation.

**4. The Corporation.** Although the corporation is today mainly a form of business ownership, originally it was used only by religious and municipal organizations. This was due to the fact that the *corporation* was and is an artificial legal person. The state grants a charter to a corporation, and the corporation exists as sort of a make-believe businessman. It is owned and operated by many people who place the final control of its operations in the hands of a few individuals, called the *Board of Directors*. This is the most important feature of the corporation. Regardless of how many people actually own it, the corporation is regarded as a unit, separate and distinct from the owners.

Let us suppose that your Business Training class decides to go into the business of selling refreshments at all school functions. Your teacher tells you that you must have \$20 with which to purchase supplies, so you decide to permit each member of the class to contribute as much as he wishes. You decide to divide the \$20 into eighty shares of twenty-five cents each, allowing the members of the class to buy as many shares as they wish, until the eighty shares are all gone. Because each member of the class who gave money is entitled

to partial control in the management of the enterprise, you decide that each share will have one vote at the meetings. Next, since it is difficult to make decisions with the great number of people in the class, you decide that a committee (Board of Directors) of three or four people shall be elected by the group to act in the name of the class. There is another reason for doing this. Someone must make the decisions for the class at certain times when it is not possible to call a meeting. This committee will make these decisions. It is easy for you to sell these shares because you tell each member of the class that all profits derived from the sale of refreshments are to be divided among the eighty shares. Let us assume that the enterprise is a success, and after the first event, you have made a profit of \$8.00. This means, then, that you would give  $10\phi$  ( $\$8.00 \div 80 = \$.10$ ) to each share. In other words, if James had bought ten shares for \$2.50 ( $25\phi \times 10 = \$2.50$ ) he would receive \$1.00 ( $10\phi \times 10 = \$1.00$ ) as his part of the profits.

This is exactly the manner in which a corporation is formed. A few enterprising people decide to form a corporation. They get a charter from the state giving them permission to form the corporation. The law prohibits the organization from doing any kind of business not specified in the charter. After the payment of a fee, the organizers sell shares of stock to others who wish to become part owners of the enterprise. A share of stock is given to indicate part ownership in a corporation. At least once each year all the people who own stock have a meeting and select a committee to manage the affairs of the corporation between meetings. This committee is known as the Board of Directors, and usually there are very few changes in it from year to year. If the stockholders, who own stock, and who are therefore part owners, are not able to attend the meetings, they may send a *proxy*. This is a statement telling the Board of Directors how the stockholder would vote upon the question under consideration, if he were present.

If the corporation makes money, the profit may be divided by the Board of Directors among the stockholders, according to the number of shares of stock each shareholder owns. The profits divided in this way are called *dividends*.





*It is a warm job to run a large corporation.*

Since almost eighty per cent of all money invested in the United States is invested in corporations, you can see that the corporation is a very important form of business ownership.

What are the advantages of the corporation form? A corporation can raise large sums of money. All it has to do is to sell more stock, until it has sold all of the stock that the state gave it permission to sell. This assumes of course that it can find customers to buy the stock. It is easy to transfer ownership in the corporation without discontinuing the business or without affecting the existence of the corporation. Ownership is transferred merely by selling your stock. The death of any owner does not influence the operation of the business. His shares are acquired by his descendants. The life of the corporation, therefore, is permanent. It can continue forever. A decided advantage in this form is that after a person pays for his share of stock, he does not have to pay anything else, no matter how much money the corporation owes. Your personal property cannot be touched to pay corporation debts.

What are the disadvantages in the corporation form? In direct contrast with the starting of a sole proprietorship or partnership, the formation of a corporation is difficult and expensive. The corporation is constantly subject to government regulation and taxation. In addition, stockholders usually have little voice in the control of the corporation. The control is vested in those who hold a majority of the stock. These individuals can almost suit themselves in the management of the corporation. If they are unscrupulous and dishonest the whole organization suffers.

5. **The Chain Store.** You have undoubtedly heard a great deal about *chain stores*. What form of business organization is involved in a chain-store system? The answer is, all forms. But it is safe to say that most of the large chains are organized as corporations. A chain system is a collection of many small retail establishments all belonging to one owner. The owner, as we have seen, may be a single proprietor, a partnership, or a corporation.

What are the advantages in this form? The chain buys in large quantities for all of its stores. It can therefore obtain lower prices on its purchases. Since it distributes huge quantities of products, it can afford to operate factories engaged in mass production. It can operate its stores at a minimum cost because everything is standardized. All stores are operated in the same manner making for efficiency in management. Merchandise is priced low enough to move rapidly. Chains depend on rapid turnover for their profit. Goods do not remain on the shelf very long. They must be sold at any reasonable price. The greatest profit factor in the chain store system is its cash policy. Every sales dollar is deposited in the register.

What are the disadvantages in this form? As soon as a business grows beyond a certain point, personal relations between owner and customer become impossible. The customer is dealing with an agent or representative of the owner rather than with the owner in person. Many customers desire special services, such as extension of credit and deliveries which most chains find too expensive to supply. Some states are now taxing every unit of a chain, thus making it too costly for the chain to operate in that section.

6. **The Government.** Generally when we think of business

ownership, we think only of private ownership. We forget that our local, state, and national governments engage in many business activities to promote our welfare. A few of these activities include the ownership and operation of buildings, parks, canals, printing and engraving offices, schools, hospitals, and post offices. As good citizens, we should take as much interest in this form of business organization as in any other form of ownership.

7. **Co-operatives.** Many businesses are owned and operated by the members of a co-operative organization. The members assume responsibility for managing the business and share all profits. Creameries, groceries, farm-supply houses, gasoline stations, and buying clubs lend themselves to this form of organization.

### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-16 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Give the names of any five local business firms and tell who owns each firm.
2. You are asked to defend the sole proprietorship as the best form of business organization. Give your arguments in favor of a single proprietorship.
3. Under what conditions would you hesitate to start a single proprietorship?
4. Give five illustrations of businesses which lend themselves to the sole-proprietorship form of ownership.
5. A partnership overcomes the weaknesses which exist in the single-proprietorship form of ownership. Discuss.
6. Give the class five illustrations of businesses which lend themselves to the partnership form of ownership.
7. What would make you hesitate before entering a partnership?
8. In your own words, give a definition of a corporation.
9. Name several businesses for which the corporation is the best form of ownership.
10. Illustrate how your school can organize as a corporation for the selling of magazines.



11. Just because a business is large, it must be a corporation. True or false? Why? Illustrate.
12. You are asked to defend the corporate form of ownership. Give your arguments in its defense.
13. What are some of the disadvantages of the corporation form of business ownership?
14. What do you understand by the expression, "A chain system"?
15. How are profits distributed in a sole proprietorship? In a partnership. In a corporation? In a co-operative?
16. Do you ever shop in a chain store? Why? Or why not?

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

arrange	dividends	neighborhood	stock
artificial	efficiently	organize	strength
authority	essential	personally	succeed
bicycle	extension	refreshments	taxation
characteristic	financially	regulation	telephone
combination	guide	rendered	transact
corporation	illustration	representative	transferred
deceased	individuals	responsibility	turnover
decisions	interference	route	undoubtedly
directors	liable	similar	unit
disadvantages	management	specified	unscrupulous
discontinuing	minimum	stationery	usually

## THE FIRST OF THE THREE R'S—READING

activities	enterprise	natural	retail
agent	establishment	novelties	sole proprietor
charter	expand	overcome	standardized
corporation	heir	ownership	steamboat
debts	hesitate	partnership	terminates
descendants	magazines	proxy	venture



## BUILDING BUSINESS HABITS

### Job 1—

- (a) Make a chart showing the names of any twenty-five local business firms. If you run short of names use the local telephone directory.
- (b) Try to determine from the firm name the kind of business ownership it represents.
- (c) Set up your chart in this way.

#### LOCAL FIRMS

Name of Firm	Apparent Kind of Ownership	Why?

- (d) Complete the chart.

### Job 2—

- (a) Look around your business section.
- (b) Make a list of at least ten businesses which are actually single proprietorships. If you are not positive make inquiries. Set up your chart in this way.

#### LOCAL SINGLE PROPRIETORSHIPS

Name of Firm	Kind of Business	Size of Business	No. Employees	Successful?

- (c) Complete your chart.

### Job 3—

- (a) Review your text on the sole-proprietorship form of organization.
- (b) Prepare a chart of this form. Set it up in this way.

#### SOLE PROPRIETORSHIPS

Characteristics	Illustration of Businesses Using It	Advantages	Disadvantages

- (c) Complete your chart.

**Job 4—**

- (a) Make inquiries in your business community about partnerships.
- (b) Make a list of at least ten firms which you are positive are partnerships.
- (c) Set up your chart in this way.

**LOCAL PARTNERSHIPS**

Firm Name	Name of Partners	Kind of Business	Size of Business	No. of Employees	Successful?

- (d) Complete your chart.

**Job 5—**

- (a) Review the material on partnerships.
- (b) Prepare a chart of the partnership form in this way.

**PARTNERSHIPS**

Characteristics	Illustration of Businesses Using It	Advantages	Disadvantages

- (c) Complete your chart.

**Job 6—**

- (a) Make inquiries in your community about corporations.
- (b) Make a list of at least ten firms which you are positive are corporations. If you do not find enough examples in your locality inquire in your town or city. Set up your chart in this way.

**LOCAL CORPORATIONS**

Firm Name	Kind of Business	Size	No. of Employees	Successful?

- (c) Complete your chart.

**Job 7—**

- (a) A friend of yours has invented a machine to do homework

automatically. He is interested in forming a corporation to manufacture and sell his invention.

- (b) Inquire from a lawyer or businessman how your friend should proceed.
- (c) Make a list of the necessary steps.

**Job 8—**

- (a) The Student Organization of your school is considering the establishment of a school store to sell school supplies, stationery, candy, and novelties.
- (b) Formulate a plan of ownership and work out the details.
- (c) Report the plan to your class.

**Job 9—**

- (a) Review the material on corporations.
- (b) Prepare a chart of this form of organization.

### CORPORATIONS

Characteristics	Illustration of Businesses Using It	Advantages	Disadvantages
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- (c) Complete your chart.

**Job 10—**

- (a) Your father wishes to go into business. He asks for your suggestion as to which form of ownership to use.
- (b) Prepare a list of the questions you will have to ask before giving your advice.

**Job 11—**

- (a) Prepare a list of local chain stores. Set it up in this way.

### LOCAL CHAIN STORES

Name of Store	Owned By	No. of Units Owned	Kind of Stores Operated
---------------	----------	--------------------	-------------------------

- (b) Complete the chart.

**Job 12—**

- (a) Review the material on chain stores.
- (b) Prepare a chart in this way.

**CHAIN STORES**

Characteristics	Businesses Using Chains	Advantages	Disadvantages

**Job 13—**

- (a) Study the charts made in Jobs 2, 4, 6, and 13.
- (b) What conclusions can you draw about the form of business ownership used in your community?
- (c) Present your report to the class.

**Job 14—**

- (a) Resolved: "That chain stores are harmful and should be taxed out of existence."
- (b) Prepare a list of arguments on each side of this question.
- (c) Prepare a three-minute talk on either the affirmative or negative side.

**Job 15—**

- (a) Make a list of the business activities in which your local and county government engage.
- (b) Do the same for your state government.
- (c) Do the same for the national government.

**Job 16—**

- (a) Review all of the material on forms of business ownership.
- (b) Set up a master chart showing all the forms. Do it in this way.

**BUSINESS OWNERSHIP**

Form	Essential Characteristics	Illustrations	Main Advantages	Main Disadvantages

- (c) Complete the chart.



## PART TWO: BUSINESS OPERATION

1. **Division of Work.** Up to this point we have considered the ownership of business. We are now interested in learning something about its operation. In your school there are several departments of instruction: English, Foreign Language, History, Science, Manual Arts, Business, Mathematics, and Physical Education. In each of these departments there may be several teachers who receive supervision from the chairmen of their departments. The chairman of each department must report to the Principal on the progress of his division. In your home, your mother performs some of the activities, such as cooking and housekeeping; your father performs other tasks, such as making repairs, taking care of the automobile, and supplying the money with which to operate the household; and you act as assistant to both your father and mother. Because we must be certain that all of the necessary tasks will be performed efficiently, we assign to each individual those tasks which he can do best. For this reason your instructors teach the subjects the Board of Education knows that they are best able to teach. Your father takes care of the automobile because he knows more about it than anyone in the family. We need organization in everything we do. We must be certain that everything will be done and will be done well. A principle of good operation is to divide the work into small parts and have it done by those who are best qualified to do it.

There are many activities which must be taken care of in every enterprise, regardless of its nature. In order to be sure that some particular piece of work will be done properly, it is assigned to one individual, or group of individuals who know how to do this

*Father's day off.*



work better than anyone in the establishment can do it. This is also true of the field of business in general. Why is it that the department stores do not manufacture the trucks which they use to deliver the merchandise which they sell? The answer is that they cannot do this as efficiently as the automobile-manufacturing companies.

You will notice from the organization of business in your community that business is set up according to the ability of each member of it to perform his little job better than any other member. The same applies to each individual business establishment in the community. Each enterprise exists because it can do one thing very well. Thus, we see that a shoe factory is in business because it can produce shoes efficiently. Its own organization must be so arranged, then, that all of the activities of the enterprise are efficiently taken care of.

In commercial enterprises, although the organization may differ slightly from that of industrial businesses, we find that the same principles of operation are observed. The divisions are set up according to ability to perform these activities efficiently. We all know that if a man spends all of his time managing the financial affairs of the business, he will have no time to become efficient in handling the affairs of the employees. If a man spends all of his time in buying goods, someone must take care of selling the goods he buys. Every activity requires the attention of a specialist. However, all businesses seem to have certain functions in common. They must have money to operate. They must produce the goods or services to be sold. They must sell their goods or services. To do this they find it necessary to employ workers. With this in mind, we can examine a little more closely some of the more important divisions found in business.

**2. Production.** In a manufacturing establishment, we find that the business differs from all others in that it makes something. This work is carried on by a department which has as its only activity the production of the product which the factory must sell. At the head of this department we usually have a *Production Manager* who is responsible for turning out the product. Under him there are many foremen, each in charge of a particular part of the production. The foremen in the factory have under them the workmen who do the actual producing. In this type of business, with proper education, a

workman may start as a machine operator, work his way up to be foreman, and, if he has the proper qualifications, he may be promoted from one department to another until he becomes the production manager.



3. **Buying.** In a small business one individual may do all the buying, receiving, storing, advertising, displaying, selling, packing, financing, bookkeeping, cleaning, and filing. Some firms are small enough to permit one person to specialize in several of these activities. Large organizations find it necessary to employ many people for each of these activities. A person who specializes in buying materials and supplies for use in the business is generally called a *Purchasing Agent*. He is responsible for ordering goods at the best price available. He must check the delivery of goods ordered, to be positive that they have been received. He must arrange for the placement and storage of goods which are not to be used at once. He is also responsible for the records which are part of his buying activity.

A person who specializes in buying merchandise for sale is called a *Buyer*. In addition to the activities of a *Purchasing Agent*, the *Buyer* is also concerned with the sale of merchandise purchased. Buyers are generally employed in retail establishments.



4. **Selling.** Practically every business has something to sell. This generally requires the employment of specialists who know how to sell. In addition to actual selling the *Sales Department* may also be responsible for displaying and advertising goods, if the organization is not large enough to have an *Advertising Department*. In a small business the *Sales Department* may have to advertise, display, sell,



bill, and ship goods. Since we are not concerned with any particular organization, we are merely giving you a general glimpse behind the scenes.

5. **Financing.** In all types of business, there is an Accounting or Financial department which is responsible for making money for the company. There are many divisions of this department, such as Filing, Correspondence, Statistics, Bookkeeping, Credit, and Cashier. At the head of the department we find the *Controller* or *Comptroller*, who is usually an accountant, in charge of all the office functions. Under him, there is a head of each department. The employee who starts in this division has many opportunities for advancement. A girl may start as a file clerk, stenographer, cash clerk or billing clerk and work her way by diligent application and careful work, first to the assistant head, and then to the head of her department. A boy may start as office boy or general clerk, and work up in the department until he is bookkeeper or credit manager. From here he may become office manager and then Controller.



6. **Management.** In all businesses, there is found a *Management* division, whose function it is to take care of the establishment, and to supply the right amount of the right kind of employees. This latter activity is sometimes known as the *Personnel* function. The Management activity includes the repairs to the building—such as painting and cleaning—and general housekeeping work attached to keeping the organization in running order. Remember that in a small business the owner may do all of these jobs himself.

7. **Personnel.** In a very large organization the work of the *Personnel* division consists of dealing with employees only. In the world of today, business establishments are coming more and more to realize that it is to their advantage to consider the employee as an important part of their business enterprise. It is realized that the employee and employer have many interests in common. The workers form



a necessary cog in the machine which we call business. For this reason the personnel department came into existence. It was felt that specialists were necessary in order to employ the proper kinds of workers, and to keep them happy. Just as the controller is a specialist in the field of finance, so the personnel department is made up of specialists in dealing with employees. There are usually three divisions of this department.

*The employment division.* This division has for its main function the employing and discharging of employees. The other divisions of the organization are too busy doing their work to stop and interview prospective employees. They simply draw up a set of job specifications (requirements) for each position which show exactly the type of work to be performed, and what type of person is needed for each position. The employment office keeps these job specifications on file. When need arises for a new employee, the department having the opening sends an employment request or requisition to the employment office. The job specifications are consulted to learn what type of individual is to be employed. The important thing to remember about the work of this division is that it must employ those people who will perform the best work. Consequently, the employment office will always try to give the available positions to those people who will make the best employees. They consider the personality,

*Soon you may need the services of an employment agency.*



the education, the experience, and the background of all applicants and select the one who appears to best satisfy all requirements. When a vacancy occurs, you must remember that there is one specific job to be done. For this reason it is better not to be a jack-of-all-trades, but rather a specialist in the type of work you like to do best.

*The training division.* Since business has grown so large and so highly specialized, it is no longer possible for each department head to train each of his employees in the work he is to do. For this reason, the training division must do two things. It must train the new employee before he takes his position, and it must help the employee to advance to new and better positions. The training division follows up all employees to see if they will make good executives in the organization. If they will, the training department gives them special training and promotes them to better and better jobs. You will see from this how important businessmen feel it is to promote the organization from within.

*The welfare division.* This is the part of the personnel office which helps to keep the employee healthy and happy. Usually this division maintains doctors, nurses, dentists, and chiropodists in a hospital or rest room to care for employees who may need attention during the business day. Some of the other activities of this division include a visiting nurse department, payment of sick benefits, recreation rooms, and other services which may contribute to the welfare of the employee.

**8. Your Place in Business.** What is your relation to the personnel office? It is there that you must go if you want a job. Although you may not be interested in a job at the present time, you should be familiar with the procedure involved in obtaining a position. You can never tell when this information will come in handy.

In general, positions are filled by promotion from within the organization, by personal interview, and by letter.

It is the policy of progressive business establishments to fill all possible jobs from within the organization. This is true for two reasons. It makes the workers very happy to know that they will be promoted if they show the proper qualifications and it therefore gives them an incentive to do better work.



The personal interview for a job may be of four types: (1) in answer to an advertisement, (2) at the suggestion of a friend who is already employed in the organization, (3) without any introduction whatsoever, or (4) at the suggestion of an employment agency.

Regardless of why you happen to apply for a position, the principles of the personal interview are exactly the same. Remember that there will probably be a long line of applicants for the position and that you must be selected from the large group. This means that the person who interviews the applicants must make his first selection quickly, and usually at first sight. This first selection is for the purpose of taking the best five or ten prospective employees, and interviewing them at greater length. This selection is made on the basis of the impression which the interviewer receives, and it is usually decided in the first one or two seconds of the interview. It seems reasonable, then, that if you are to be selected in these first few seconds, your appearance must impress the interviewer favorably even before he has had an opportunity to talk to you. This means that your clothing must be immaculate, your fingernails must be clean, you must look clean and be clean, and above all, you must smile and be pleasant.

The advantage of applying for a position through the recommendation of someone who is already employed in the organization is that it is usually easy to get a job that way. The employment office feels that when you are recommended by a friend, you will probably try to do very good work, so that you will be a credit to your friend. On the other hand, if you do not do good work, your friend will speak to you about it, and try to groom you a little.

When you apply for a position without the recommendation of a friend, and not in answer to an advertisement, your problem is a little different. You must now sell the employer the idea that he needs you. Since there is no vacancy, your problem is to convince the interviewer that he should employ you—vacancy or no vacancy. The principles of the interview are exactly the same as in the other cases: neatness, pleasantness, alertness, and an attractive and pleasing personality. The thing to remember about this interview is that you must impress the employer much more quickly than in the other

interviews. You must be especially careful about the little details of your appearance. Avoid being affected. And don't forget to smile!

Sometimes an employment manager will send a request to an employment agency for a particular type of employee. For this reason it is always wise to visit employment agencies when you are seeking a position. There are several types of agencies: (1) private employment agencies, which usually charge the applicant a fee amounting to the salary for one week if he takes the position which is suggested to him; (2) government—both state and national—employment agencies, which are free; (3) school placement bureaus, which are free, and which obtain positions for high-school students.

9. **The Letter of Application.** When you see an advertisement in the "Help Wanted" column, you know that a position is available. Your problem is to get that first interview. The difficulty is that there will probably be a number of others who also read the advertisement in the "Help Wanted" column of the newspaper. Applying for a position by letter is often the most difficult way to find success. The employer usually wants to see the applicant in person before he hires him. For this reason, the letter of application is used mainly for the purpose of making an appointment for a personal interview. Remember this—your letter of application is being sent as your representative. Make sure that it is worthy of you and really represents you. If you are neat, make your letter indicate this by being neat. There is another important point to remember, namely, that the letter of application is actually a sales letter, and must perform the functions of a sales letter. First, it should attract favorable *attention* to you; (2) it should arouse the reader's *interest* in you; (3) it should create the *desire* of the reader to employ you; (4) it should *move* the reader to action in employing you.

Let us examine each of these steps in connection with a letter of application.

#### *Attention.*

- (a) Stationery and arrangement must be attractive and neat. Use white unruled paper (size  $8\frac{1}{2}'' \times 11''$ ), typewritten, unless a sample of your handwriting is asked for.



- (b) Form. See Chapter IV.
- (c) The first paragraph is the most important part of the letter. Avoid commonplace openings, such as, "I beg permission to submit my application in answer to your advertisement in the Herald." Use an original opening which will attract attention. "The vacancy in your filing department is just the kind of position for which I was trained. To convince you that I can fill this vacancy to your satisfaction, I am listing my qualifications."

*Interest.*

- (a) Your qualifications must be set forth in the following arrangement:
  - Age
  - Experience (if you have had any)
  - Education
  - Special qualifications which seem important.

*Desire.*

- (a) Show how your qualifications relate specifically to the position for which you are applying.
- (b) Be definite and positive in your assertions. State type-writing and shorthand speed, grades in school subjects which are related to the position, and the nature of your previous employment, showing how it is related to the present position.
- (c) Submit references. Be sure to obtain permission to use these names before you include them in your letter. There are two types of references: Character references which should be the names of reputable people in the community, who will testify to your good character, and ability references which should be the names of people who know how well you can do the work for which you are applying.
- (d) If it is possible, refer to letters of recommendation. Never enclose them with the letter of application, however, unless you do not wish to use them again.

*Action.*

- (a) Request an interview. Be polite, but convincing, and make it easy for the employer to get in touch with you.

137 Arlington Street  
Des Moines, Iowa  
January 25, 19--

Rawlins Manufacturing Company  
1015 Elm Street  
Des Moines, Iowa

Gentlemen:

I have just learned from our Principal at the Glendale High School, where I am a student, that you require the services of a boy to do general clerical work. I think I possess the necessary qualifications.

1. I am seventeen years of age.
2. I have just completed my second year in high school, and am unable to continue my education at present because of home conditions.
3. I am quick at figures and can type accurately at a fair speed.
4. My penmanship is neat and legible.
5. I may refer you to my principal, Mr. Robert Johnson, and to my teacher, Mr. H. K. Evans, as to my reliability.
6. I can come for an interview at any time that suits your convenience.

Respectfully yours

*Bertram Hall*

In writing for an interview, it is well to remember that you must never be weak, meek, or humble. Without becoming too defensive or aggressive in attitude, you must convince the reader that you are able to stand on your own feet.

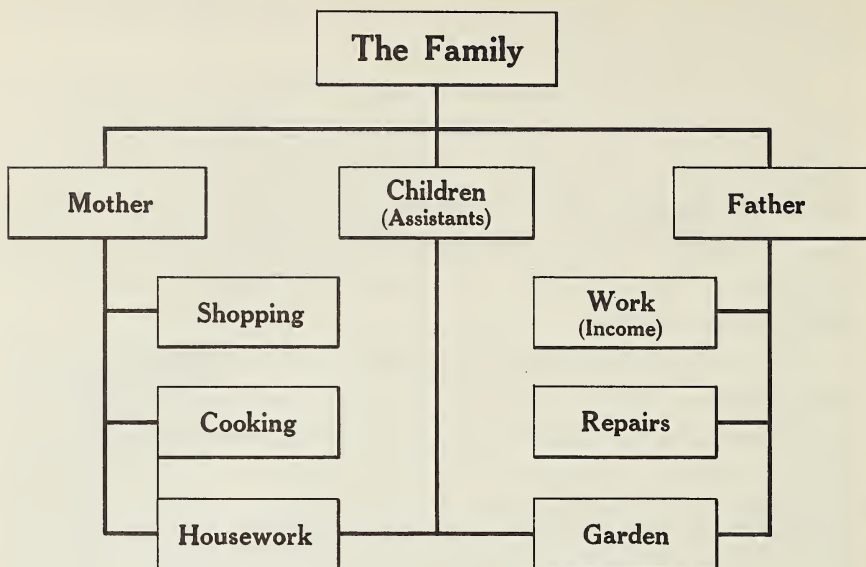
Sometimes letters of application may be written for an interview when no advertisement has appeared. For example, your friend may tell you that he thinks there is a vacancy in the cashier's office, and you decide to apply for it. Or you may want a position upon graduation from high school, and there is no advertisement for the type of work you want. In such a case, your letter must be much more dramatic and original.

If you are successful in getting your interview, you will be given an application blank to fill out. The thing to remember about an application blank is that it is the first evidence the prospective employer will have of the part of your personality which is not obvious at first glance. For this reason be careful in filling out the application blank. Practice filling out many blanks so that you may make no mistakes in spelling, that your handwriting may be attractive, and that you may impress your employer favorably.

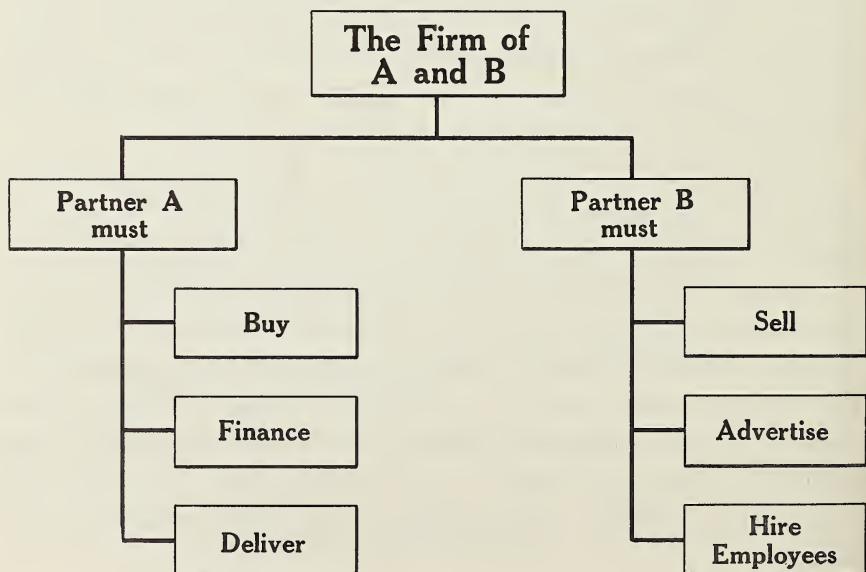
Every position has certain requirements. Every person has certain abilities. Your task in making your mark in the world is to find the job which most closely fits your qualifications. You will be happiest in the work which you are best able to do. Do not think about the kind of position the next person has, but think about the kind of job your own qualifications equip you to hold.

It is not good to concentrate all of your attention on your ultimate goal. The only way to have a future is to progress step by step from one job to the next. For that reason it is well to "hitch your wagon" to the next job, and not to the General Manager's office. In this way you will not fall into a blind-alley job, or one which leads to nothing higher. Sometimes these blind-alley jobs are easier to get than others, but they are harder to leave. An intelligent person who thinks of his future will first think of the next job. This person will not find himself in a dead-end detour on the road to success. If you do each day's work to the best of your ability, that is all that anyone can ask of you.

THE HOUSEHOLD ACTIVITIES  
MUST BE WELL ORGANIZED.



A LARGER BUSINESS ESTABLISHMENT  
REQUIRES MORE HELP TO MANAGE IT.





## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. There are many types of business ownership.
2. A single proprietorship is the simplest form of business organization.
3. Partnerships overcome some of the weaknesses existing in the sole-proprietorship form and in turn have disadvantages of their own.
4. A corporation is an artificial person created by a state to overcome the weaknesses found in the sole-proprietorship and partnership form of business setup.
5. All corporations are not large and all are not huge monsters feeding on the public.
6. Corporations are subject to more government regulation and taxation than the partnership or the sole proprietorship.
7. A chain system is merely a collection of many retail stores operated by one organization which may be a single proprietorship, a partnership, or a corporation.
8. Governments engage in necessary business activities.
9. Division of labor makes it possible to have work done by those who are best qualified to do it.
10. The whole field of business can be divided into a few classifications.
11. While every business specializes in definite activities, there are some basic functions which are performed by all.
12. The Personnel Department supplies the human element which is necessary to move the wheels of business.
13. There are definite techniques involved in securing a position.
14. Eventually you will have to make a place for yourself in the world. Why not think about it now?

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-18 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. You have been told that it is necessary in business to have division of labor. Do you agree with this statement? Why?

2. Name and illustrate the main divisions of business.
3. An extractive industry is one which manufactures extract for kitchen use. True or false? Why?
4. Name and illustrate the main commercial divisions of business.
5. Give the names of three mercantile establishments in your community.
6. Certain functions are common to all business. Discuss.
7. Tell the class about the work of a production department.
8. What activities come under the jurisdiction of the purchasing agent or the buyer?
9. A sales department in a small store has to do nothing but sell merchandise. True or false? Why?
10. Who is a controller and what does he do?
11. Tell about the management function of a business.
12. Name five activities of a personnel department in a large organization.
13. Tell how people usually get interviews for a job.
14. What are some of the things to remember in writing letters of application?
15. The interview is not important in obtaining a position. Get it over with as soon as possible. Discuss this statement.
16. A student next to you says, "Why worry about the future, it will take care of itself." Give your answer.
17. What is a blind-alley job? How can you avoid it?
18. What are the reasons for promoting an employee to a better job within the organization?

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

accountants	assistant	concentrate	foremen
advancement	automobile	continually	generally
advertisement	available	controller	glimpse
aggressive	bookkeeper	detour	humble
assertions	chiropodists	division	immaculate
assign	cog	familiar	instruction

jobbers	physicians	progress	stock exchanges
laboratories	placement	progressive	storage
necessary	principle	prospective	strive
opportunities	procedure	recreation	supervision
organization	production	requires	typewritten
performs	professional	retail	vacancy

### THE FIRST OF THE THREE R'S—READING

agency	executives	job specifications	personnel
applicants	extractive	jurisdiction	position
blind-alley job	function	management	requisition
controller	incentive	mercantile	specialist
diligent	industrial	obtain	specifically
employment	interview	offensive	ultimate

### THE SECOND OF THE THREE R'S—WRITING

You are to practice two groups of capitals in this exercise. The capital *T* and *F* are both formed with a reverse motion on the down stroke. The down stroke is always written first. Care should be taken with the tops of these two letters to make sure that the loop of the top stroke is parallel with the downward stroke used in making the first part of the letter. The top stroke ends in a reverse curve motion.

The capitals *H* and *K* have an identical beginning stroke. The loop of the capital *H* is made to connect with the initial stroke at about one-third the height of the letter. The small circle in the capital *K* is attached to the initial stroke at the center or one-half the height of the letter.

Write the exercise. The capitals *T* and *F* are not joined to the letters that follow. The capitals *H* and *K* are usually joined to the others.

*T F H K*

- |                    |                     |
|--------------------|---------------------|
| 1. <i>Trenton</i>  | 6. <i>Hamilton</i>  |
| 2. <i>Topeka</i>   | 7. <i>Holyoke</i>   |
| 3. <i>Tacoma</i>   | 8. <i>Haverhill</i> |
| 4. <i>Freeport</i> | 9. <i>Kingston</i>  |
| 5. <i>Fulton</i>   | 10. <i>Kansas</i>   |

## BUILDING BUSINESS HABITS

### Job 1—

- (a) You have been told that business operates on the principle of division of labor. Set up a simple chart to show the division of labor in your home.
- (b) Do the same for your school.
- (c) For a baseball team.
- (d) For your father's business or some other business firm.

### Job 2—

- (a) Study your business community
- (b) Set up a list of ten industrial firms.
- (c) Set up a list of ten commercial concerns.

### Job 3—

- (a) Give ten illustrations of specific manufacturing industries.
- (b) Give ten illustrations of specific extractive industries.

### Job 4—

- (a) Give specific illustrations of ten mercantile establishments.
- (b) Ten financial establishments.
- (c) Ten transportation establishments.
- (d) Ten personal-service establishments.

### Job 5—

- (a) Prepare a diagram of your local business community. Make each box large enough to include about ten examples of each type of business.
- (b) Complete the chart.

### Job 6—

- (a) Review the material on business functions.
- (b) Prepare a chart showing some of the functions performed in most business firms. Set it up in this way.

## BUSINESS FUNCTIONS

Function	Activities Included in this Function
1. Production	1. Manufacturing

- (c) Complete the chart.



**Job 7—**

- (a) Visit any local industry.
- (b) Observe the work done in the production department.
- (c) Prepare a written report on production in that particular plant.
- (d) Compare your report with the others in your class.

**Job 8—**

- (a) Visit a local department store or large factory.
- (b) If you go to a department store, inquire as to the work done by the Buyers in the store.
- (c) If you select a factory ask about the work performed by the Purchasing Agent.
- (d) Prepare a written report on your conference.

**Job 9—**

- (a) If some local firm employs a Controller, visit him and make a list of his duties.
- (b) Otherwise prepare a chart showing the work performed by a Controller.

**Job 10—**

- (a) Visit some large local business firm and inquire about the activities of the Personnel Department.
- (b) Prepare a written report showing the work performed by this department.

**Job 11—**

- (a) Review the material on application letters.
- (b) Prepare a check list of points which should be included in a good letter of application for a position.

**Job 12—**

- (a) Consult the "Help Wanted" column in a local daily or Sunday newspaper.
- (b) Select three advertisements which interest you.
- (c) Write letters applying for the three positions.

**Job 13—**

- (a) Review the material on interviews.
- (b) Prepare a check list of the points to watch for in an interview for a position.

**Job 14—**

- (a) Assume that you have received replies to your letters in Job 12 asking you to come for interviews.
- (b) Imagine that your teacher or a fellow student is your prospective employer. Dramatize your interview.

**Job 15—**

- (a) Each member of the class will select a certain kind of business.
- (b) Let each member of the group visit a business house and make a complete list of the qualifications for the various positions discussed in the chapter.
- (c) Bring all of these lists together in the form of a pamphlet on local business opportunities.

**Job 16—**

- (a) Make a list of all the employment agencies operating in your community. Classify them according to types.

**Job 17—**

- (a) Think carefully about your plans for the future.
- (b) Prepare a written report on the subject, "My Plans for the Future."

## THE THIRD OF THE THREE R'S—ARITHMETIC

**Situation 1—**

- (a) You have developed an egg-delivery route after school. You invested \$25 as sole proprietor. During the course of a month, you bought 68 dozen eggs as follows:

12 dozen @ 17¢  
19 dozen @ 15¢  
11 dozen @ 18¢  
24 dozen @ 16½¢  
2 dozen @ 19¢

- (b) You sold the 68 dozen at the following prices:

24 dozen @ 26¢  
20 dozen @ 28¢  
24 dozen @ 29¢

- (c) Your expenses totaled \$2.93.
- (d) What is your present capital?

Situation 2—

- (a) Your father owns a business in which he invested \$4000.
- (b) During the past year his sales totaled \$10,000.
- (c) He makes a gross profit of 35 per cent on sales. What was his gross profit?
- (d) His expenses for the year were \$985.63.
- (e) Assuming that your father left his profits in the business, what is his present capital?

Situation 3—

- (a) The books of a local concern read as follows:

Year	Total Sales	Total Expenses
1	\$18,685.42	\$15,698.71
2	19,547.58	17,772.45
3	23,687.31	21,588.61
4	17,552.97	18,491.30
5	29,488.86	24,391.50
6	32,577.18	28,266.70
7	28,622.71	29,511.41
8	34,211.58	31,697.92
9	31,677.91	29,528.46
10	32,254.46	28,226.59

- (b) Calculate total sales.
- (c) Calculate total expenses.
- (d) Calculate annual profit or loss.
- (e) Calculate total profit or loss.
- (f) Calculate average annual sales.
- (g) Calculate average annual profit.
- (h) What was the percentage of growth in sales volume?

Situation 4—

- (a) The partnership of A & B had a capital of \$18,600. Mr. A had a 45 per cent interest in the business and Mr. B had the rest.
- (b) Calculate the investment of each partner.
- (c) One year the partners made a profit equal to 37 per cent on their total investment. Calculate the total profit.
- (d) How much did each partner receive if profits were shared in proportion to the investment?







## XIII

### SELLING IN THE WORLD OF TODAY

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *Have you ever sold anything? Think carefully before you say "No."*
2. *Just suppose that all merchants were to stop selling goods for a while. Would you and your family be affected? How?*
3. *You were just hired as a clerk in a grocery store to work after school and on Saturdays. You are anxious to succeed. How would you go about taking care of your customers?*

#### PART ONE: INTRODUCING THE SALESMAN

1. **Selling in the World of Today.** How about the first question? If you are about to say that you have never sold anything, stop to think for a moment. Did you ever convince your father that you needed some new clothes before he even dreamed of buying them for you? You sold something that time. Did you ever persuade your mother to let you go to the movies when she wanted you to stay home and do your homework? You sold something that time. Did you ever try out for a part in a play for which several students were competing? If you secured the role or impressed the coach with your ability, you sold something that time. We could continue in this way to give you many illustrations to prove the point that all of us, from our earliest days to the day we die, are constantly selling something. If we are not selling goods, as a salesman does in order to earn a living, we are selling services, such as those supplied by the doctor, the dentist, and the lawyer. If we are not engaged in selling either goods or services, we are always busy selling ourselves to our friends, teachers, employers, club members, and the opposite sex.



*Service with a smile.*

You say that you are convinced that selling plays an important part in our world of today, but that you do not quite see what that has to do with you. Your point is a good one, but let us look at it in this way. You have been shown that you will, whether you realize it or not, be engaged in selling something during the rest of your life. It is only logical to want to do well the things you know you will

have to do as long as you live. Therefore, it is our idea in this part of your training to acquaint you with some simple selling suggestions which will be of immediate use to you in your daily life, even if you should never become a salesman. Did we hear you say that you are sold on the idea now? That is our first sale. Here comes our lesson in salesmanship.

**2. Appearance.** Whether you sell goods, services, or yourself, the impression which you make on other people will be very important in determining whether you are to be a success or a failure. Why not start right now to check up on your appearance and determine to keep constantly in mind all the points which help to make a successful salesman? Let us start with external (outside) characteristics and call to your attention the various factors which make for good appearance. Starting from the top, how about your hair at this very moment? Look at yourself in the mirror. Is your hair properly combed? Does it look neat? Are you wearing your hair in a business-like fashion, or does your coiffure suggest that you are about to attend the opera? You have heard the expression, "There is a time and place for everything." This is good advice at this point. When you go out into the business world, your appearance must be appropriate. Your hair makes an important contribution to a favorable first impression. Why not resolve to take good care of it from now on?

Now that your hair is well combed, we notice next the appearance of your face. It would be silly on our part to lecture you on

the necessity of keeping your face, eyes, ears, neck, and hands clean. You have heard that so many times, that if you have not learned this very elementary lesson, anything we say about it will probably have very little effect. Just to be certain, though, check up every morning to be positive that all parts of your body are absolutely clean.

We come next to the question of fingernails. Cleanliness is as important here as in any other part of your body. It is very easy to accumulate dirt without noticing it particularly, unless we are constantly on guard to see that our fingernails and hands are clean. If nails are not cut short once in a while, your hands will begin to resemble claws. Civilized man has realized that he can get along without claws. All he needs is ten fingers. For some of us, the subject of fingernails brings up the problem of nail polish. Bright red fingernails may be appropriate at certain times and in certain places. Unfortunately, however, most businessmen do not consider bright-red fingernails an asset in their business. Again let us remind you that there is a time and place for everything. If you observe well-dressed and efficient business girls, you will notice that their nails are well groomed with a shade of polish that is not extreme and are cut short for effective business work.

The matter of fingernail polish, in turn, brings to mind the question of make-up. Here again the soundest advice we can give you is to observe the make-up used by efficient business people and avoid all extremes.

For the boys in the class we have the reminder that it may be very comfortable to dress without a tie and keep the collar open, but it is not done in the business world. Why not start wearing a tie to school? You will be surprised at the improvement it makes in your appearance.

How about your posture? How are you sitting at the present moment? Are you slouched in your chair, or are you sitting up straight? When you stand, do you stand erect, or is the weight resting on one foot? The way you carry yourself is an important contribution to your general appearance. Good posture should become a matter of habit. Why not begin to practice in school? Every time you are called on to recite, be sure that you get up on both feet, and



stand erect. School is a business proposition, and you should act and carry yourself just as the business man does. If you practice good posture from now until you are ready to enter the business world, no one will have to remind you that good posture makes for good appearance.

3. **Clothes.** We shall assume now that your physical appearance conforms with the requirements of good taste. You have become conscious of your appearance and you realize that in order to be successful you will have to give it more attention than you have given it up to this time. You may be scrupulously clean, your posture may be excellent, but your manner of dress may prevent you from appearing well-groomed.

At some time or other you may have heard someone say that clothes make the man. This may not be absolutely so, but we can assure you that proper clothes help to improve the appearance of men and women. When we say proper clothes, we do not mean expensive clothes; we mean clothes which are appropriate to the occasion for which they are being worn. We are certain that you would not consider wearing evening clothes when you go to work in the

*A pleasant approach wins customers.*





store after school, but you would be amazed to find how many young business people do not dress properly for work. Again we advise you to observe carefully what the average business person wears to work. You do not have to be a "copy cat," but it is a good idea to model your selections after those of people who have been in the business world for a while and have a reputation for being well-dressed.

In addition to selecting the proper clothes, be sure that they are clean and neat at all times. If you had an engagement with your best friend, you surely would not wear a soiled dress or a wrinkled suit. It is a good idea to be just as careful when you dress for business or school as you are when you dress for a social occasion.

4. **Speech.** You have tried to improve your personal appearance and your clothing in order to make a good impression. The next factor upon which you will have to check for improvement is your speech. Have you ever listened to yourself as you speak? Is your voice well modulated? Do you speak clearly and enunciate carefully? Do you shout and scream, or do you speak in a whisper so that you are barely heard? Neither of these extremes is satisfactory. Your tone of voice should be adequate to make yourself heard, but a loud voice is usually a sign of an ill-bred person. Do you swallow your words, or is each one clear and distinct? Do you use slang and colloquial expressions all of the time, or do you use words which are universally accepted? Try to use one new word each day, and so impress your friends and yourself. If you are careful to think out your thoughts and the framing of your sentences, you will find that others will respect your ideas and opinions. In other words, you will enhance your ability to sell yourself. Many a job has been lost because the applicant used "ain't," or "yep," or some similar careless expression. Your English teacher has probably lectured a great deal on this subject, but perhaps you have dismissed his advice with the thought, "Oh well, English and grammar do not mean a thing to me. I don't expect to be a teacher or an author. I'll get along somehow." Believe it or not, you will not get very far as a salesman unless you speak the English language as it should be spoken.

5. **Poise.** Have you ever heard that word used before? If you

do not recall it at the present moment, think of some member of your student body who addressed the assembly recently, and seemed to be "just as cool as a cucumber." He did not seem to be at all nervous or frightened. He was cool, calm, and collected, although he was apparently speaking extemporaneously (without preparation). He had confidence in himself. In other words, he had poise. Self-confidence and poise are essential if you are to be successful in the selling world. It is unusual for a young person with limited experience to be well-poised. The only way you can acquire that confidence is to take part in school and extra-curricular activities until you realize that you can do whatever is required of you. Poise also means self-control. Do you lose your temper easily? Do you say things when you become angry for which you are sorry later? You will never be successful as a salesman if you indulge in the luxury of tantrums. Even if you are insulted or offended, you must maintain your self-control and poise.

A cheerful and sunny disposition goes hand-in-hand with a person who has poise and self-control. It actually takes far fewer muscles and effort to produce a smile than it does to create a frown. To a certain extent, cheerfulness is a matter of habit. If you learn to look at the sunny side of things, you will get into the habit of seeing the silver lining to even the darkest cloud. That may sound like preaching, but try it for a while and see if it is not so.

**6. Manners.** You have started to improve your personal appearance, your clothing, your speech, poise, and self-control. There are now a few inner traits which require your attention. Although they may not be visible to the person you are meeting for the first time, they will show up in the long run and will have an important bearing on your accomplishments. One trait which is very important in your contact with people is courtesy. "Thank you," "Please," "Pardon me," do not cost you anything, but yield excellent results. When a person meets you, everything you say or do contributes to the impression of you which he forms. If you are polite and courteous, he will undoubtedly notice it at once and will unconsciously think to himself that you are a well-trained individual. If your manners are bad and you are impolite, his impression of you is bound to



suffer. You cannot be ill-mannered at home and then assume your "company" manners when you come into contact with other people. Manners are largely a matter of habit. Good training will show up without any conscious effort on your part. Realization of this fact should contribute to your poise, self-control, and confidence.

7. **Honesty.** A proverb familiar to all of us states that "honesty is the best policy." Honesty should not be a matter of policy, it should be a matter of habit. You are not honest because you want people to think well of you. You are honest because you know that it is the only right way to act. You should be honest in all your dealings with everyone, no matter who he may be. You will find it wise to treat others just as you would have them treat you and to deal with people squarely.

8. **Loyalty and Co-operation.** All of the qualities we have mentioned thus far will contribute to your success. The chances of your being successful, however, are slim unless you learn early in your school career to co-operate with all of your fellow workers, and to be loyal to whatever cause you are serving. Very few people have ever been successful who have not learned to co-operate with others. You will readily agree that a successful star on a team could not win the games alone. He had to learn to co-operate in order to succeed. You, too, should make up your mind on that point and start prac-

ting the art of co-operating with others. Start by being loyal to your family, to your school, to your home room, club members, and, when you go out into the business world, to your employer. Resolve to be a "booster" rather than a "chronic knocker." It is easier to tear down than to build up. If you are dissatisfied with something, do not go around broadcasting, but do something about it. The students in your school who do the most complaining about what is wrong probably do the least to remedy the situation.

9. **Reliability.** In addition to possessing the qualities already discussed, are you reliable? If, when you volunteer to give a report in class, you do your best in giving that report, then you are reliable. If your teacher knows that when you say you will do a thing, you will actually do it, then, in the opinion of that teacher, you are reliable. If your employer can go out to lunch on Saturday and know that he can depend on you to take care of the store efficiently and honestly, then, in his opinion, you are reliable. If, when you add a column of figures, you check and double check to be sure that your figures are accurate, then, in that sense, you are reliable. You do not take the attitude of, "Well, what difference does it make whether the answer is absolutely correct or not?" You have learned that in business, if a customer is to receive \$.63 change, she wants to receive \$.63 and will not accept \$.62, nor should she be given \$.64.





If your work is absolutely accurate, then you can think of yourself as a reliable person.

Do you come to school day after day on time or even a little bit before time? If you do, your promptness is an indication that you are reliable. You may not realize it, but some day when you apply for a position, your prospective employer will write to the school to determine how many times you were tardy or absent during your school days. This attendance record is an indication of your reliability and dependability.

Do you do enough school work to "just get by," or do you keep at a job until you really feel that you have mastered it completely? If you do a job from beginning to end and even do more than you are asked to do, you can consider yourself a reliable person. When you go out into the business world, do not be satisfied to be an average worker. In order to succeed, you must convince people that you are above average. Doing just what you are asked to do is not sufficient—you must do more. This is a good piece of advice which you can start to follow immediately. See if your teacher does not begin to notice the difference at once.

We know very well that no one is perfect. We hardly expect you to be able to say that at the present moment you fulfill completely all of the qualifications for success. Pick out a few of these qualities at a time, and concentrate on them for a while. Try to reach school early for a month at a stretch. You will find that you have formed the habit of getting up early enough to reach school with a margin of safety. After you have improved in this respect, concentrate on your manners. Before long you will begin to notice the improvement yourself. Very soon everybody who comes in contact with you will begin to marvel at the change. It is worth trying, is it not? What do you think about starting right now?

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-27 are placed in a box. Each contestant takes a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Although you have never worked in a store, give at least five incidents to prove that you have had selling experience.
2. The doctor, the lawyer, the teacher, and the minister do not have to know anything about salesmanship. Is this statement true or false? Why?
3. Name at least five external characteristics which help to make for good personal appearance.
4. "There is a time and place for everything." Prove that you know the meaning of this statement by giving at least two illustrations.
5. You have heard the expression "selling yourself" used frequently. What does it mean? Give at least three illustrations of incidents in which you have had to "sell yourself."
6. Tell the class of three ways in which you can improve your posture while you are still in school.
7. Your father always tells you that school is a business proposition. What do you think about his idea?
8. Clothes make the man. Discuss.
9. Name at least five factors which contribute to good grooming.
10. Explain and illustrate the meaning of the word *enunciate*.
11. Speaking in a loud tone of voice proves that you have a good voice. True or false? Why?
12. Since it is easier to express yourself in slang, it should be used all the time. Give reasons to prove your point.
13. Is there any connection between good speech and good salesmanship? Explain.
14. Unless you expect to be a teacher, a minister, or a journalist, you do not have to concern yourself with correct English usage and grammar. Discuss this statement and give specific arguments to prove your viewpoint.
15. Give at least five factors which contribute to good poise.
16. If you do not possess poise you are backward and due to fail. Discuss.
17. It is easier to frown than to smile. True or false? Why?
18. "There's a silver lining to even the darkest cloud." Explain the meaning of this expression and give illustrations to prove that you understand it.
19. Name at least five inner traits.
20. It is sufficient to use good manners when you have company. Discuss.

21. "Honesty is the best policy." Do you agree with this proverb?
22. Assume that you are a coach of a basketball team. You have one squad which is made up of stars who like to play for their own glory. You have a second squad made up of five good players who work together as a team. Which squad would you select to represent your school? Why?
23. It is easier to tear down than to build up. Discuss.
24. Do you believe that you are reliable and dependable? Give at least five illustrations to prove your contention.
25. Your school-attendance record will never be used after you leave school. Discuss.
26. You have always considered your school work successful if you obtained a passing mark. You are now told that unless you are above average you will not succeed. Which viewpoint is correct and why?
27. A friend of yours argues that it is necessary to dress up only when you have a "date." Do you agree? Why?



## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams, and then begin. May the best speller win!

absolutely	courteous	luxury	remedy
accumulate	daily	mirror	requirements
acquaint	deceit	muscles	slouched
acquire	dependability	necessity	social
amazed	dissatisfied	nervous	tantrums
appearance	effective	opposite	undoubtedly
certain	either	posture	universally
civilized	extracurricular	proposition	various
competing	frown	prospective	volunteer
concentrate	improvement	questionable	weight
conscious	indication	realization	whisper
convince	infer	reliability	wrinkled

## THE FIRST OF THE THREE R'S—READING

appropriate	elementary	grammar	persuade
chronic	enhance	illustrations	poise
cleanliness	enunciate	incidents	resolve
coiffure	expression	indulge	scrupulously
colloquial	external	language	traits
confidence	failure	modulated	visible

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Make a list of all the things you have sold.
- (b) Check your list with the rest of your class and make up a list of all the things which have been sold by your classmates.

### Job 2—

- (a) Make a list of external characteristics which contribute to good personal appearance.
- (b) Prepare a chart of these characteristics and rate yourself in this way.

## MY PERSONAL APPEARANCE

Characteristic	Present Rating	Improvement Needed
1. Hair	Untidy	Careful brushing

- (c) Complete the chart.
- (d) Prepare a written report explaining what you expect to do to improve your personal appearance.
- (e) Prepare a similar rating sheet next week.

### Job 3—

- (a) Ask your father to tell you the things he notices about people the first time he meets them.
- (b) Ask your mother the same question.
- (c) Make it your business to meet three people you do not know and note your first impressions.
- (d) Prepare a list of things which enter into first impressions of people. Use the material gathered in Jobs 3a, 3b, and 3c.



Job 4—

- (a) Set up a chart showing the kind of make-up and nail polish which is appropriate for various occasions. Prepare it in this way.

MAKE-UP AND NAIL-POLISH CHART

Occasion	Appropriate Make-Up	Appropriate Nail Polish
1. Business		
2. Social		
3. Formal		

- (b) Complete the chart.

Job 5—

- (a) Resolved: "A high-school student is employed on a full-time job when he attends school."
- (b) Prepare arguments on both sides of this question.
- (c) Be prepared to speak on one side of this topic.

Job 6—

- (a) Prepare a check list of the items which make for good speech. Set it up in this way:

MY SPEECH

Characteristic	Quality	My Rating		
		Excellent	Average	Poor
1. Enunciation	1. Indistinct			X

- (b) Complete the list.
- (c) Rate yourself.
- (d) Ask five people to rate your speech on a similar check sheet.
- (e) How can you improve your speech?

Job 7—

- (a) Make a list of all the slang expressions you hear in one week.
- (b) Write opposite each slang expression the correct English term.
- (c) How many slang expressions do you use?

Job 8—

- (a) Prepare a chart to show the characteristics of good poise. Do it in this way.

## POISE

Characteristics of Good Poise	Lack of Poise
1. Confidence	1. Uncertainty

(b) Complete the chart.

(c) Prepare a report on "My Poise" based on the chart in Job 8a.

### Job 9—

(a) Make a check list of inner traits similar to the chart prepared in Job 2b, and rate yourself.

(b) Ask three people to rate you.

(c) Compare all of the ratings.

### Job 10—

(a) Collect examples of reliability and dependability.

(b) Make a list of these examples.

### Job 11—

(a) Prepare a report showing how many times you have been tardy or absent this week, this month, this term, last term, during your school career (if you can remember).

### Job 12—

(a) Analyze your scholarship record and prepare the following chart.

## MY SCHOLARSHIP RECORD

Subjects in Which I Am Below Average	Subjects in Which I Am Average	Subjects in Which I Am Above Average

(b) Give yourself a final rating of below average, average, or above average.

### Job 13—

(a) Go through Part One of this chapter. Prepare five questions to be used in a Professor Quiz contest.

1. **You Have a Job Now.** Let us assume that you have improved your personal appearance and have developed those qualities which make for success in business. Imagine that you have obtained a job in a neighborhood store to work after school and on Saturdays. Or you may imagine that your father owns a store and you have decided to make good use of your training in salesmanship to work for him at every opportunity.

2. **The Customer.** In any selling situation the salesman must understand the customer thoroughly. A knowledge of customers, why they buy, why they do not buy, their likes and dislikes, is very important in order to do a good selling job. We shall, therefore, spend some time in acquiring a knowledge of customers. Our understanding of customers will be increased if we know why people buy goods.

*The desire for food.* In order to live, we eat. Therefore, we buy goods to satisfy hunger and thirst. The storekeeper who has food products to sell knows that if he appeals to your sense of smell and taste, he will have a better chance of selling his products. This explains why the breakfast-food companies are so anxious to give away free samples. They hope that if you have once tasted their cereal, you will realize that it satisfies your hunger and will always associate that product with satisfied hunger. For the same reason many beverage manufacturers give away free samples of their drink. They know that you are thirsty, and that the appeal to your thirst will remind you to think of their product when you want a drink. If you sell in a grocery or food store, you can use this appeal to hunger and thirst to remind customers of your product.

*Comfort.* In addition to the desire for food, all of us like our comfort. In winter we prefer to be warm and dry, rather than cold and wet. In summer all of us like to feel cool. When we buy shoes we want to be certain that they will be comfortable on our feet. It is safe to say that you can appeal to almost anyone by reminding him that your product will increase his comfort and well-being. This desire for comfort on our part has brought about the development of

many time and work saving conveniences as the telephone, the automobile, oil heating, electricity, and refrigeration. You can see, therefore, that you will have little difficulty in interesting a customer if you are selling a product which will add to his enjoyment.

*Family devotion.* Parents love their children and children love their parents. All civilized human beings have a soft spot in their hearts for their fathers and mothers. On the other hand, fathers and mothers have even a more tender regard for their children. A salesman can appeal to your mother by telling her that his product will improve the health and comfort of her children. A salesman who calls on your father occasionally and asks him how his child is getting along at school is pretty sure to make a favorable impression. Your father naturally is very much interested in his child and appreciates the attention shown by the salesman.

Or similarly, if you buy some article, and the salesman assures you that your mother will like it very much, he is appealing to your affection for your mother. Children like to please their parents. Therefore, when you sell a product which appeals to children, you may be sure that they are interested in receiving the approval of their parents. The same is true of the affection between brothers and sisters. You may quarrel frequently with your sister, but when you buy something which meets with her approval you enjoy it very much more than if she says, "Wherever did you get this?" Remember that many people buy because they are eager to satisfy the family.

*"Copy Cat."* Did you ever wish for something just after your neighbor or friend acquired it? You never thought of getting it before you saw it in the possession of your friend. Do not worry about it. You are not the only "copy cat." If you investigate, you will find that many people buy things just to keep up with their friends and neighbors. If a movie star cuts her hair in a new manner, many of the girls in America and the rest of the world must change to the same style. It is human nature to try to keep up with the people around us. Skillful salesmen know this human weakness and that is why you often hear them say, "Well, this is the device which Society Matron 'X' uses in her home." They know that this will induce you to want the same gadget. Many people buy things just to imitate others.





*Collections.* Do you collect postage stamps, coins, autographs, picture post cards, or any of a million other things? If you have such a collection, stop to think why you collect these things. You may decide that you are developing a hobby. That is quite right, for everyone should have a hobby. But, too many people only have a desire to add to their possessions. They take a pride in owning things. They may never use the collection but it gives them pleasure to see their belongings increase. It is natural to take pride in ownership. A good salesman knows this and uses it in making a sale. The love of possession explains why many businessmen are eager to let you take a typewriter or vacuum cleaner home on trial. They know that once you have this article in your home and have become accustomed to using it, you will not wish to give it up. When a customer comes into your store, let him handle the goods you are trying to sell. After he gets the feel of the article and has tried it on, he may want to keep it.

*Social approval.* Are you anxious to have your friends think well of you? Of course you are. All of us are like that. We try to do those things which will command the approval of our fellow beings. We, therefore, like to buy those things which will gain the approval of our friends and acquaintances. The skillful salesman

knows that we are anxious to achieve popularity and uses that knowledge in building his sales appeal. Since the reasons for buying are definitely human, you will find that this information will be of practical value to you in any business situation.

**3. Recognizing Types of Customers.** In addition to understanding why people buy, you will find it helpful to know how to recognize and how to deal with different kinds of customers. Whenever you go to the store, keep your eyes and ears open, and observe the other customers.

*The undecided customer.* You can recognize this type as the customer who finds it very difficult to make up her mind. She finds it hard to reach a decision. She cannot decide whether to take the red hat because it is very fashionable, or the blue hat which is more becoming. As a skillful salesperson you should decide which hat will give her the best service and then repeat your selling points slowly in order to help her reach a decision. After you have done this, you will find it helpful to assume that she has made up her mind and reach for your sales book. This may produce a decision.

*"I'm from Missouri" type.* In your selling career you will frequently find customers who are suspicious and wary of everything you say and do. They demand proof. If so, demonstrate the item very carefully, backing up every statement with facts which you can prove readily. Then let the customer handle the merchandise and observe for himself. Do not try to force the issue. Let the customer reach the point where he has sold himself. This customer does not want opinions. He wants facts.

*"I do not believe you" type.* You will sometimes find a customer who disagrees with everything you say. If you make the statement that the hat will wear well, the customer will probably say, "Oh, this hat will not wear well at all." If you say the hat is washable, the customer will undoubtedly say that it cannot possibly be washable. If you have not developed poise and self-control, you will probably lose your temper, the customer, and possibly even your job. After you have decided that the customer is just a contrary type, do not try to argue with her. It will not hurt you to give in to this customer. Let her think that she is right. If it makes her feel any better, and if

you make a sale, you have lost nothing and gained a great deal. It is your job to state the facts about merchandise sincerely and completely. After you have done this, let the customer say whatever she pleases. Arguing with her will not help the situation. You will find it helpful in dealing with this type to first agree with the customer, and then bring in your point in a harmless manner. You can say to such a customer, "Yes, Mrs. Contrary, I agree with you that this hat does not seem to be washable, but it is a new type of fabric which can be washed." This "Yes, but" method makes her feel that she has won her point, although actually you have stated your case completely without offending her.

*The quiet type.* Did you ever talk to someone who replies merely with a simple "Yes" or "No"? While you are anxious to find out what the person likes or dislikes, all you can get out of him is "Yes" or "No." In selling, you will frequently come across this type of person who is somewhat of a problem. You do not know what kind of merchandise to show because the customer has not expressed an opinion or preference. Do not say much to the quiet customer. Ask a few specific questions which will help to draw him out and give you some idea of what he thinks or prefers. People who do not say very much generally like to consider a selection carefully before voicing a preference. Give your silent customer plenty of time to think about your statements. Do not rush him. He will appreciate your attention even if he does not say anything about it.

*"I am just looking" type.* Suppose you approach a customer with the intent of helping her make a selection, and she says to you, "I am just looking." Let her look in peace. Stay in the immediate vicinity in case she makes up her mind. Do not make her feel, however, that you are hanging around. If the customer moves rapidly away, do not make any attempt to follow her. People do not like to be followed.

**4. The Store.** Up to this point in our discussion of selling, we have talked about the salesman and the customer. It is now necessary to consider the store in which the salesman sells and the customer buys. Let us suppose that your brother is opening a small retail store. Your brother will first have to decide where to locate his store. He should pick a spot which will be convenient to the greatest number



of people who need his products. Businessmen find it profitable to locate in busy shopping areas. Rents are high in a shopping area, but the increased volume of business usually takes care of the increased cost. After renting a store, your brother will select appropriate furniture and fixtures. People like to shop in attractive, comfortable surroundings. The storekeeper tries to make shopping in his establishment a pleasure rather than a task.

Your brother now has the store furnished with the necessary equipment. His next problem is to purchase an adequate supply of merchandise. He will have to carry sufficient stock to take care of his customers. He must exercise judgment in selecting those items which will move rapidly, rather than merchandise which will linger on his shelves for a long time. A good merchant makes profit on a rapid turnover. This is a technical way of saying that the faster he can sell the goods he buys the more profit he will realize.

Your brother must now display his merchandise. If a customer notices an item which has been attractively displayed in the window and comes in to ask about it, he is an excellent prospect. Once in the store, he should be impressed with the floor, counter, and shelf dis-

*The intelligent clerk knows her merchandise*





plays. A little time and energy spent in building unusual and attractive layouts will pay large dividends. Many customers judge a store by its appearance. People do not like to shop in shabby, dirty-looking stores. With competition as keen as it is today, there are plenty of well-managed stores in which to buy.

People today are price-conscious and prefer to shop in stores where merchandise is reasonably priced. If they can buy an article for \$.18 in one store, they will refuse to pay \$.19 or \$.20 for the same item in a near-by store. Advise your brother to make his prices as low as he can and yet make a fair return on his investment. He will increase confidence in his store if he follows a policy of refunding (returning) the purchase price if a customer wishes to return merchandise within a reasonable time. People will not hesitate to buy if they know they can receive their money back should they find it necessary to return goods. Confidence in a store helps to build a good reputation. A good reputation makes for success.

5. **The Merchandise.** It is impossible to give you specific information about the many items which are now on the market. We can merely point out to you some of the things which you as a good sales-

*An intelligent consumer does not require high-pressure selling.*



man should know about the merchandise which you are to sell. If you sell wool sweaters, you should know what kind of wool is in the sweater. Where is this wool manufactured? How is it made? Is it pure wool or does it have a mixture of cotton? If it is imported, from what country does it come? If it is a domestic wool, which section of our country produces it?

How is the sweater manufactured? Is it hand knitted or machine made? You should know something about the process of manufacture. How long does it take to make the sweater? How many people are employed in its production? What is there about the process of manufacturing this sweater which makes it different from the others in your stock?

What uses can be made of the sweater? Is it to be worn for sports, or can it be worn to business? Is the sweater washable, or must it be sent to the dry cleaner? Will it stand hard wear, or is it merely decorative?

How about the price? Why is it more expensive than the red sweater and cheaper than the black sweater? Is it expensive because it is a wool sweater or because it is hand knitted? If you can explain these reasons to your customer, she may feel that the price is reasonable for the value she is receiving.

How many sweaters of this type do you have in stock? What colors, styles, sizes, and varieties are available?

Take the trouble to learn this information about your merchandise and you will certainly impress your customer and your employer.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-17 are placed in a box. Each contestant takes a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. A customer hesitates and cannot make up her mind. Identify her type and tell how you would take care of her.
2. "I'm from Missouri." Explain to the class the meaning of this expression and give several incidents from your experience to illustrate it.

3. What general information should a salesman know about customers?
4. Tell the class of five incidents to illustrate how storekeepers appeal to the desire for food and drink.
5. Explain the widespread use of telephones, automobiles, and refrigerators.
6. Family affection and selling have nothing in common. True or false? Why?
7. Tell the class three short stories to show that people buy to imitate others.
8. Name ten things which people collect as a hobby.
9. Why do people buy goods? Explain.
10. A suspicious customer depends upon your opinion. True or false? Why?
11. Give two illustrations of the "Yes, but" method of dealing with argumentative customers.
12. How would you take care of a silent customer?
13. It always pays to argue with a customer when you know that you are right. State your opinion of this statement and defend it.
14. Follow a customer around until she decides to buy. Discuss.
15. You expect to open a store. Tell the class how you would go about it.
16. What should a salesman know about his products? Explain.
17. Identify five kinds of customers.





## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams, and then begin. May the best speller win!

accustomed	demonstrate	opportunity	sincerely
acquaintance	devotion	pleasure	situation
associate	equipment	poise	social
automobile	frequently	popularity	specific
beverage	heart	possession	storekeeper
breakfast	immediate	preference	summer
cereal	increased	recognize	their
civilized	investigate	refunding	therefore
completely	knowledge	salesmanship	thirst
conscious	manufacturers	satisfies	typewriter
convenience	matron	Saturdays	vacuum
definitely	occasionally	similarly	washable

## THE FIRST OF THE THREE R'S—READING

achieve	fashionable	readily	thoroughly
autograph	gadget	refrigeration	varieties
decision	intent	skillful	vicinity
decorative	layout	society	volume
development	merely	sweaters	weakness
electricity	neighborhood	technical	well-being

## BUILDING BUSINESS HABITS

### Job 1—

- Select five articles which your mother purchased recently.
- Analyze the reason for the purchase of each item.
- Do the same for the next three purchases you make.
- Prepare a list showing the eight items analyzed and the reason for each selection.

### Job 2—

- Prepare a list telling why people buy goods.
- Include in this list reasons which are not in the textbook.



Job 3—

- (a) Ask ten people what things they collect as a hobby.
- (b) Ask them to tell you why they collect these things.
- (c) Prepare a chart to show this information. Set it up in this way.

HOBBY CHART

Kind of Collection	Reason for the Collection

- (d) Complete the chart.
- (e) Prepare a report summarizing your information.

Job 4—

- (a) Prepare a chart to show the kinds of customers a salesman meets. Set it up in this way.

CUSTOMER TYPES

Type	Characteristics
1. Undecided	1. Hesitates

- (b) Complete the chart.
- (c) Try to include types which are not discussed in your text.

Job 5—

- (a) Using the information in Job 4a, set up a similar chart to show how each type should be handled. Prepare it in this way.

HANDLING CUSTOMERS

Type	Procedure to Use
1. Undecided.	1. Speak slowly.

- (b) Complete the chart.

Job 6—

- (a) Search the section of this chapter dealing with stores.
- (b) Prepare a check list of the suggestions given to help a beginning merchant.

You have been given a great deal of general information about selling. Now you are doubtless eager to take care of your first customer. You realize that you have not had any selling experience and want some specific suggestions as to how to make a sale.

1. **Greeting the Customer.** Suppose you are arranging some stock when in walks Mrs. Customer. You decide at once that the stock can wait and walk briskly to meet your first prospect. You remember to smile pleasantly and say, "Good Morning," or "How do you do?" If you know the customer's name, be sure to use it. You can vary this greeting on other occasions by saying, "May I help you?" or "Can I be of assistance to you?" It is very poor salesmanship to say, "Isn't there something I can do for you?" You are inviting a "No" reply when you make such an approach. Greet the customer in a manner so pleasant as to make her feel that you are truly eager to be of service to her. If the customer has been looking at displays before you start to wait on her, it is best to greet her by making a comment about some item displayed. "These peaches are Georgia freestones. They are unusually large and luscious for this time of the year." This greeting establishes friendly relations with your prospect at once.

2. **The Customer's Needs.** You have done very well thus far. You have greeted your customer pleasantly and she seems to be favorably impressed with your promptness, courtesy, and friendliness. Your next problem is to determine what she needs. After responding to your greeting, she may tell you, let us say, that she wants tomatoes. Does she want fresh tomatoes or canned tomatoes? Is she looking for a particular brand of canned tomatoes? Does she want a fancy quality or just an average grade? Does she need a large can or will a small size do? Are you sure she wants tomatoes? Perhaps she means tomato sauce or tomato paste? Before you can serve her well, it is necessary to determine her exact needs without asking too many or unnecessary questions. If you are selling any other product, you will have to ask similar questions as to color, size, style, material, or design.

3. **Selecting the Goods.** Now you know what the customer has in mind. You also know what is in stock. It is your task to select the items to show your customer. If she has asked for a specific brand, show her several sizes or selections of that brand. Otherwise pick two or three items to place before her. Never present your most expensive stock first for, if your customer is impressed with its quality but cannot afford it, she will not be satisfied with an inferior article. Size up your prospect and bring out items which you feel will appeal to her taste and purse.

4. **Showing the Goods.** Bring out your selections. Present one item at a time. Talk about the article with enthusiasm. Handle it carefully and affectionately. Impress the customer with the fact that you think a great deal about the item you are showing. Explain slowly the details about the article. Let the customer handle it. Let her try it on or use it. Appeal to her sense of hearing, sight, touch, and smell, if possible. While you are showing her goods you must build up in her mind the idea that this article will serve her needs well. Watch her reactions to your talk. Is she with you or against you? Is she impressed with this item or is she waiting to see something else? If the latter is the case, then present your next choice and explain to the customer that here is a different article which you know will appeal to her. During all of this you are carefully, politely, and efficiently building up the sale. You are presenting to the customer only those items which you are certain will serve her well. The day of high-pressure selling just to increase commissions is gone in the better stores. Moreover, efficient salespeople are consumers and know that a satisfied customer is the best recommendation. The old expression, "You can fool all of the people some of the time, but you cannot fool all of them all of the time" is very true in dealing with customers. You may fool anybody once, but you will probably never see him again. Can your store afford to do business that way?

5. **Finishing the Sale.** Now, suppose that your customer has decided on her selection. If she has bought a dress, show her an attractive hat, or bag, or gloves to go with it. If she seems interested, fine; if she is not, nothing has been lost. A good salesman is not merely an order-taker. He tries to be of service by suggesting other items



which the customer may have overlooked. In addition he gives the customer service information on how to use and take care of the item purchased.

If the customer has not asked about the price up to this point, this is the logical time to mention it to her. If she objects to the price, you will have to repeat some of your selling points to justify it. Never make the mistake of bringing up the question of price before you have convinced the customer that she wants the article. After

the customer has inspected it and realizes its quality, price will not be the only consideration.

It is now time to receive payment for the purchase and to have it wrapped. Always call back the amount of the sale and the amount received. "\$7.89 out of \$10.00." This prevents arguments later about the amount of change. After the package has been wrapped, bring it back immediately and deliver it to the customer. "Here is your package, Mrs. Customer, and here is your change. \$7.89 out of \$10.00. \$7.90, \$8.00, \$9.00, \$10.00. Thank you." In making change, start with the amount of the sale and give the fewest number of coins possible to complete the transaction. Remember always to send your customer away with a pleasant "Thank you." Even if you do not have a sale to report on today's list, courtesy will pay dividends the next time the customer comes in.

Thus you take leave of your first satisfied customer. Very simple, is it not? Try the same procedure on your next customer, and the one after that. Before you know it, you will be an efficient salesperson. The information given here on dealing with retail customers in a small local store can be applied to any situation in which you are dealing with people. Selling ability is always an asset. This training will always be useful whatever you may do in later life.



## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. You are selling something every day of your life.
2. Your personal appearance counts for or against you in dealing with people.
3. Now is the time to start improving your appearance.
4. Clothes may not make the man, but they help to improve his appearance.
5. Good speech is essential to business success.
6. Good speech can be developed.
7. A courteous manner is always in good taste.
8. Honesty should be a matter of habit.
9. Inner traits will play a large role in your ultimate success.
10. People buy goods to satisfy certain basic desires.
11. There are many kinds of customers each requiring special treatment.
12. A well-organized and efficiently managed store properly located is bound to succeed.
13. A salesman must know a great deal about the merchandise he is selling.
14. A pleasant and courteous greeting gives the salesman an excellent prospect of making a sale.
15. High-pressure selling is harmful to the customer, the salesman, and the store.
16. A salesman who serves the customer well serves himself and the store he represents.
17. An order-taker is not a salesman.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-14 are placed in a box. Each contestant takes a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. A customer opens the door and enters the store. Give in detail the procedure you will use in taking care of the customer.
2. Give at least three good greetings to use when you first approach a customer.

3. A customer enters the store, and, while waiting for you, looks at the orange display. Give the exact words of your greeting, using a merchandise approach.

4. Name five qualities which help in making a good impression on a customer.

5. Imagine that you are taking care of a customer who asks to see some men's shirts. Explain the wording of some questions you would use in order to determine her exact needs.

6. It is wise to show customers the most expensive items first in order to increase your commission. Is this statement true or false? Why?

7. A friend tells you that in selling goods to a customer you merely place the goods before your customer and let her make her own selection. Do you agree with your friend? Why?

8. A good salesman uses high-pressure tactics in order to make a living. Explain the term "high-pressure." Discuss the statement and present incidents from your own experience to prove your contention.

9. If it is possible to fool all of the people some of the time, why is it not just as likely to fool all of the people all of the time? Explain your viewpoint.

10. When you sold the customer the goods she requested you completed your sale. If she had needed other things, she would have asked for them. Discuss.

11. The first step in selling goods to a customer is to tell her the price. A customer will not buy an article if the price is not satisfactory. Do you agree with this statement? State the reason for your opinion.

12. A customer gives you a \$5.00 bill in payment of a sale which amounts to \$2.01. Make change for your customer and give the exact words you would use in presenting the change to her.

13. After you have completed a sale you have no further interest in the customer. Discuss.

14. Name the various steps you will follow in making a sale. Describe each step briefly.

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams, and then begin. May the best speller win!

affectionately	efficiently	otherwise	sauce
appeal	enthusiasm	particular	service
approach	favorably	peaches	specific
arranging	friendliness	pleasantly	suggestions
briskly	greeting	politely	task
carefully	handy	procedure	tomatoes
coins	impressed	product	training
consideration	information	prospect	truly
customer	justify	reactions	unnecessary
design	leave	realize	unusually
determine	logical	responding	wait
eager	objects	salesmanship	wrapped

### THE FIRST OF THE THREE R'S—READING

argument	courtesy	luscious	regardless
assistance	different	merchandise	several
attractive	experience	overlooked	statement
average	Georgia	promptness	transaction
comment	high-pressure	quality	vary
commissions	immediately	recommendation	women



### THE SECOND OF THE THREE R'S—WRITING

The capitals *P*, *R*, and *B* are all made with the same downward straight stroke. Practice retracing this downward stroke without making a loop. The loop of the capital *R* should be written to meet the initial stroke at half the height of the letter and the final stroke should be

nearly vertical, thus forming a well-proportioned letter. The capital *B* should have a narrow flat loop at one-half the height of the letter. The capital *Q* contains two loops that occur in several letters already studied. Practice these four letters with a dry pen and learn the *feel* of the letter. The capitals *R* and *B* are usually joined to the letters that follow in a word.

Practice the capitals and then write the exercise. Can you spell correctly and locate the cities given in this exercise?

<i>P</i>	<i>R</i>	<i>B</i>	<i>Q</i>
1. <i>Paterson</i>		6. <i>Boston</i>	
2. <i>Pittsburg</i>		7. <i>Belmont</i>	
3. <i>Plymouth</i>		8. <i>Bedford</i>	
4. <i>Rochester</i>		9. <i>Bristol</i>	
5. <i>Richmond</i>		10. <i>Quincy</i>	

### BUILDING BUSINESS HABITS

#### Job 1—

- Write a playlet dramatizing a conversation between a customer who has just walked into a store and the salesman who is to take care of her. Indicate action. Use your imagination.
- Pick a cast and prepare your play for production.
- Present it to your class.

#### Job 2—

- Prepare a merchandise approach to be used when a customer is looking at silk dresses.
- At sweaters.
- At shoes.
- At baseball gloves.
- At tennis racquets.

#### Job 3—

- Jot down greetings you hear salesmen use during the next few days.



- (b) Which of these greetings are good approaches?
- (c) Which of them are poor?

Job 4—

- (a) Select your favorite clerk or merchant. Why do you like to buy from him?
- (b) Can you think of a clerk whom you dislike? Analyze the reasons for your disapproval.
- (c) On your next trip to the store try to shop from a new clerk or in a new store. Jot down your first impressions of the clerk. Analyze them after you have had time to think about them.

Job 5—

- (a) A customer asks to see a dress.
- (b) Write out in order the questions you will ask to determine her exact needs.
- (c) Select any three additional articles and repeat Job 5b.

Job 6—

- (a) In Job 5c you selected three articles to show to your customer. Prepare a written sales talk to be used in presenting one article.
- (b) Select one of your friends to act as the customer and rehearse your sales talk.
- (c) Present it to the class using actual samples, if possible.

Job 7—

- (a) Resolved "The interests of the storekeeper are not the same as those of his customer. What is good for one is bad for the other."
- (b) Select the affirmative or negative side and prepare your arguments to defend your viewpoint.
- (c) Prepare a two-minute speech to present your views.

Job 8—

- (a) Imagine that you are selling a baseball bat to a customer. What other items would you suggest to him? Prepare your sales talk for the suggestive selling.
- (b) Do the same for a sale of milk.
- (c) Do the same for a sale of ladies' shoes.

Job 9—

- (a) A customer has selected a very expensive tennis racquet to give as a present to a favorite nephew. You have built up your selling

points carefully and have convinced her that this is the racquet for her nephew. She asks the price. When you tell her that the price is only \$12.98 she objects strenuously that it is much too high for a mere toy.

- (b) Prepare your sales talk to answer her objection and close the sale.
- (c) Rehearse this with a friend and present it to your class.

**Job 10—**

- (a) You have completed a \$6.14 sale and receive a \$10 bill. Write the dialogue completing the transaction.
- (b) Do the same for a \$.19 sale for which you have received a \$1.00 bill.
- (c) Do the same for \$2.61 out of \$20.

**Job 11—**

- (a) Imagine that you are a detective. Search through Part Three for all of the suggestions you can find on how to make a sale.



- (b) Prepare a check list of the things you should remember in making a sale.

**Job 12—**

- (a) Outline the steps in making a sale.
- (b) Using this outline prepare a model sales talk selling one item to your class.
- (c) Present this model sales talk to your class for criticism.

**Job 13—**

- (a) Prepare five questions on the material in this section.

**Job 14—**

- (a) As a result of your work on this chapter prepare a check list of the requirements a good salesman should fulfill. Set it up in this way.

## A SALESMAN

Qualities	My Rating		
	Below Average	Average	Above Average
1. Physical appearance			
Hair			

- (b) Complete the chart.
- (c) Rate yourself carefully.
- (d) Prepare a written report on your salesmanship possibilities.

### Job 15—

- (a) Use the check list prepared in Job 14 to rate three salesmen in your community.
- (b) Write a report on each salesman summarizing the information obtained from the rating sheet.

## THE THIRD OF THE THREE R'S—ARITHMETIC

### Situation 1—

- (a) You are working in your father's store. Mrs. Customer buys:

4 cans of tomatoes @ 2 cans for 15¢  
 9 cans of pears @ 3 cans for 17¢  
 12 cans of beans @ 4 cans for 25¢  
 ¼ lb. of butter @ 25¢ a lb.  
 ½ doz. eggs @ 21¢ a doz.  
 1 pkg. Quaker oats @ 2 pkgs. for 15¢  
 1 roll of paper towels @ 3 rolls for 25¢  
 24½ lb. bag of flour @ 2¢ a lb.  
 1½ lbs. of lard @ 2 lbs. for 15¢  
 1 doz. lemons @ 6 for 10¢

- (b) Calculate the cost of each item.
- (c) What was your total sale?
- (d) She gave you a \$5.00 bill. How much change did you give her?

### Situation 2—

- (a) Mrs. Customer buys a similar amount of groceries twice a week. What is her weekly grocery bill?
- (b) Monthly grocery bill?
- (c) Annual grocery bill?

- (d) She saves at least 8 per cent on her groceries by buying from your father. What is her monthly saving? Annual saving?

**Situation 3—**

- (a) Your father's sales records for last year are as follows:

Month	1st Week	2nd Week	3rd Week	4th Week	5th Week
January .....	\$486.89	\$462.78	\$415.91	\$435.61	
February .....	388.64	417.80	498.62	595.40	
March .....	692.54	601.62	591.40	612.74	\$567.11
April .....	548.45	511.29	569.83	507.47	
May .....	499.78	563.91	581.23	516.51	503.22
June .....	364.91	494.38	479.98	535.71	
July .....	402.57	535.82	518.45	492.82	517.07
August .....	468.79	477.47	527.76	574.68	
September ...	510.91	459.76	553.19	558.23	
October .....	544.35	546.53	465.27	527.54	
November ...	587.62	513.65	546.38	485.32	
December ...	540.13	482.94	534.56	491.26	457.16

- (b) What were his monthly sales?  
 (c) Average monthly sales?  
 (d) Total of sales for first week of every month? second week of every month? third week of every month? fourth week of every month? fifth week?  
 (e) Annual sales?  
 (f) Average weekly sales?  
 (g) Average daily sales?  
 (h) What was the per cent of increase between his poorest week and best week? poorest month and best month?

**Situation 4—**

- (a) You receive a salary of \$.75 an afternoon for working after school five days a week. You receive \$2.50 for Saturday. For ten weeks during the summer you receive \$8.00 a week.  
 (b) How much do you earn a week during the school year?  
 (c) You work from 4 P.M. to 6 P.M. during school days and from 8 A.M. to 6 P.M. on Saturday. How much do you average per hour?  
 (d) How much will you earn during a year?  
 (e) You give your family 40 per cent of your annual earnings. How much is your contribution to the family income?



- (f) You spend 35 per cent of your income. How much is your annual expenditure?
- (g) You save 25 per cent of your income toward a college education. Annual savings?
- (h) If you keep this job during your four years of high school, how much will you have in your saving fund?

**Situation 5—**

- (a) You sell the following to Mrs. Prospect:

7 $\frac{3}{8}$ yds. of percale	@	\$ .39 yd.
6 $\frac{1}{2}$ yds. of silk	@	2.37 yd.
5 $\frac{3}{4}$ yds. of silk	@	2.57 yd.
8 $\frac{1}{3}$ yds. of satin	@	1.65 yd.
3 $\frac{1}{6}$ yds. of taffeta	@	1.62 yd.
4 $\frac{1}{12}$ yds. of silk	@	2.40 yd.

- (b) How many yards of material did Mrs. Prospect buy?
- (c) What was the cost of each item? Total cost?

**Situation 6—**

- (a) You are told by your father to make change by giving the fewest number of coins necessary:

Amount Received	Amount of Sale	Denominations					
		.01	.05	.10	.25	.50	1.00
\$5.00	\$3.16						
1.00	.31						
5.00	2.07						
.50	.02						
2.00	1.16						
5.00	4.01						
1.00	.08						
5.00	3.88						
.25	.01						
5.00	4.05						
Total							

- (b) Calculate total sales.
- (c) Total amount received.
- (d) Total amount of change.
- (e) Total of each denomination. Check your totals.







## XIV

### USING THE BANK'S SERVICES

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *What would happen if all of us had to find hiding places for our money and financial possessions because all banks went out of business? Explain.*

2. *How can you write your own money?*

3. *Your father asks you to take care of his routine banking arrangements. How would you go about your job?*

#### PART ONE: YOUR FINANCIAL SERVANT

1. **You and Your Bank.** If your uncle gives you a ten-dollar bill as a birthday present and you want to put it away in a safe place until you have accumulated enough money to buy a bicycle, or a new outfit, what would you do with it?

Suppose that your father operates a retail store and requires a considerable amount of change every day. He asks you to obtain 2000 pennies, 400 nickels, 250 dimes, and 100 quarters. Where will you go for the coins?

Let us imagine that your mother manages a small restaurant. All her customers pay cash, while her own bills must be paid by mail because she deals with out-of-town merchants. Where can she make the necessary financial arrangements?

Have you guessed the answer to these questions? Your answer is correct. The local bank supplies these services and many others.

2. **Opening a Savings Account.** If you have had any dealings with your bank they have probably involved the saving of money. You may have deposited money in your school bank which is actu-

ally a branch of some local bank. After your school savings reach a certain sum, you will open a savings account at a regular bank, either a savings bank or a commercial bank. How will you know which one to select? A savings bank specializes in handling savings accounts only. It does not cater to the financial needs of the businessmen in your community. The commercial bank, on the other hand, is concerned mainly with the money problems of business firms. As a special accommodation many commercial banks maintain special savings departments. Savings accounts are just a side line with a commercial bank. They are mainly interested in catering to the business needs of the community.

Whether you select a savings bank or a commercial bank your money will be safe. All banks are compelled by law to insure accounts up to \$5000 against any possible loss. This insurance is written by a special governmental agency called the Federal Deposit Insurance Corporation. Bankers refer to this insurance as F. D. I. C. protection.

*The procedure in opening and keeping a savings account.* Anyone may open an account. After you have accumulated at least \$1.00 you may start an account. Select a bank which is conveniently located. Go to the manager's desk and tell him that you are interested in starting a savings account. He will fill out a *signature card* for you

and ask you to sign it. The information he puts on the card is necessary to protect you against the possibility of loss. Sign your name just as you will always sign it. The signature on the signature card is a copy of your usual signature and must match exactly the signature on any withdrawal slip. The bank insists on this in order to be certain that it will give your money to no one but you. You may have difficulty with your bank if you sign your name as James Brown

IN ACCT. WITH **JAMES CARLSTADT**

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TELLER
1	OCT 10 '35		**100.00		*100.00	A I
2	OCT 18 '35		**125.00		*225.00	A I
3	NOV 1 '35	**150.30			*74.70	A I
4	NOV 27 '35		***38.00		*112.70	A I
5	DEC 4 '35		***12.00		*124.70	A I
6	DEC 18 '35		***16.25		*140.95	A I
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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24						

**LINCOLN NATIONAL BANK**  
NEWARK, N. J.  
IT IS AGREED THAT THIS ACCOUNT IS OPENED SUBJECT TO  
THE RULES AND REGULATIONS CONTAINED HEREIN



While you are writing your signature, the officer of the bank who is helping you to open your account, prepares a *deposit book* for you. This is a passbook in which a record is kept of the money you put in the bank. Each time you make a deposit, you must bring this book with you. Now that your account is opened, you are ready to use it. The reason you want a savings account is to keep your money in a safe place. How do you put your money in the bank?

[illegible]

(a) First, you fill out a *deposit slip*. This is the slip of paper which you give to the man behind the window, who is called the *receiving teller*. On this slip, you list the kinds of money you are putting in the bank. The teller compares the slip with the money so as to make sure that no mistake has been made. The word *specie* means coins. If you deposit checks, you list each check separately. Checks drawn on local banks are listed by writing the name of the bank to the left of the amount. Checks drawn on banks in other cities are listed by using the name of the city, or the identification numbers found after the name of the bank. After the deposit slip is properly made out and checked, it is given to the teller together with the money for deposit. The deposit slip is kept by the bank as a record of the money received by the teller.

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teller. In it he records the date of the deposit, the amount of the deposit, and how much is in your account after the deposit is made. The passbook is then returned to you. It is your receipt for the money given to the bank for safekeeping.

(c) You may forget to bring this deposit book with you to the bank. In this case, the teller will ask you to make out two deposit slips. One slip is kept by the teller, and the other is returned to you, after it has been stamped, to indicate that the money has actually been received by the bank. It is your receipt.

Although you put money in the bank so that some day you will have a large balance, it may happen that you will need some for current expenses. If so, go to your bank to obtain some of the money which you have deposited. This is done by making out a *withdrawal slip*, which is written permission to the bank to give you the money.

BANKING REGULATIONS PROVIDE PASS BOOK MUST BE PRESENTED FOR ANY WITHDRAWALS	INTEREST DEPARTMENT	NEWARK, N. J., <i>April 1</i> , 19 -
	RECEIVED FROM	
	LINCOLN NATIONAL BANK OF NEWARK	
	NEWARK, N. J.	
	<i>One hundred &amp; no/100</i> DOLLARS	
	FROM MY ACCOUNT NO. <i>1112</i> AT MAIN OFFICE	I hereby certify that any and all persons having any interest in this account are living.
	\$ <i>100.00</i>	SIGN HERE <i>James Carlstadt</i>

This withdrawal slip must be signed by the person in whose name the account is kept, and the signature must be exactly the same as that on the signature card. When the withdrawal slip is properly made out, it, together with the passbook, is given to the *paying teller*, who pays out the money. This slip is kept by the bank as a receipt for the money returned to you. Withdrawals from a savings account cannot be made unless you present the passbook.

When you put money in your savings account, the bank pays you a certain per cent of interest for the privilege of using your money. The rate of interest varies from time to time, and from city to city. Interest is computed as follows: If you have a balance of \$100 in the bank for three months, you will receive interest for one quarter of a year. (Three months is one quarter of a year.) Let us suppose

that the interest rate is 2 per cent per year. This means that the interest on \$100 will be \$2.00 per year ( $100 \times .02 = \$2.00$ ). For three months you will receive one fourth of this, which comes to 50 cents ( $\$2.00 \times \frac{1}{4} = \$.50$ ).

3. **Opening a Checking Account.** For a few years, your banking experience will probably be limited to your savings account. You may, however, be able to help your family, your club, your school, or your employer, if you understand how to keep a checking account. We shall, therefore, teach you the essential principles of a checking system which will be of immediate and permanent value to you.

Most of the business in the United States today is transacted by means of credit. That is, by trusting the people with whom you do business. A *credit instrument* is a substitute for money. It shows that one person must pay a certain sum of money to another. Let us suppose, that you give your teacher one dollar and tell her that she is to pay that dollar to anyone who comes to her for it with a slip of paper signed by you. Is it not true that anyone in the class will accept this slip of paper as a dollar, if he knows that he can always get the money from your teacher? Is it not true that the storekeepers in your community will accept this credit instrument for a dollar if they know that your teacher will give them the cash? This is exactly the manner in which a checking account operates. You give the bank a sum of money and then you give the merchants checks which order the bank to pay them the amount of money specified.

There are many advantages in the use of checks. Checks make it possible to transact a great deal of business without carrying around large sums of money. You merely write a check for the amount you wish to pay. Also, it is possible to keep an accurate record of the money spent during the day, because each time a check is written, a permanent record is created.

It is businesslike to make payment by check. After the bank has paid out the money to the person who received the check, the word, "PAID," is punched through the check. At the end of the month, all checks which the bank has paid are returned to the person who wrote





You can help the teller and save yourself time, by listing the name or number of the bank on every check deposited. Make sure that each check is properly signed or endorsed by the person to whom it was issued. Improper endorsement may delay payment of the check. Arrange your bills according to size of denomination. Large bills are generally placed at the bottom. All bills should have the picture side up. Check the total number of bills on hand against the deposit-slip entry. Large deposits of specie or coin should be packed in coin wrappers according to denomination. When all items have been entered make sure that the actual amount agrees with the deposit slip.

**5. Writing Checks.** After you have deposited funds in your account you have the right to withdraw them as you please. You may do this by writing your bank a letter requesting it to pay a certain sum of money to the order of anyone you designate. In actual practice, the letter has evolved into a simple form called a check. The check is written on a blank supplied by your bank, which carries the bank's name, address and number, blank spaces for the date, the number of the check, the amount, the name of the payee, and the signature of the drawer. Each blank check is attached to a stub on which the drawer must make a record of the check before it is issued. Checks are in common use today.

It is a relatively simple matter for dishonest people to alter the amount of a check carelessly written or to forge a signature. Great care must be exercised to prevent loss caused by carelessness in writing a check. While banks are responsible for raised checks and forged signatures, they are not liable if the drawer is careless in writing a check. Your attention is called to a few simple suggestions to reduce the possibility of loss due to forgery and fraud. It is better to be safe than to be sorry.

1. The check stub should be completed before the check is written.
2. Do you have enough funds on deposit to cover this check?
3. Write all checks in ink or on the typewriter.
4. In writing the date use the current date. An error in the date or any part of the check will make it void. This means that your

bank may refuse to honor or pay the check when it is presented for payment. Do not put a future date on a check. This procedure which is called postdating a check is dangerous, because the payee may disregard your instructions and deposit it at once.

5. Write the payee's name in full, if you know it. It is always better to make a check payable to the order of a specified person, than just to make it out to *Cash* or *Bearer*, because any person can receive payment on a check made payable to Cash or Bearer. James C. Brown is specific. J. Brown is vague and may mean any Brown whose initial is J.

6. Write the amount in figures very close to the dollar sign (\$). Do not leave sufficient space to allow the insertion of another figure. Immediately after writing the amount in dollars, put in the cents written above one hundred in this way  $\$25 \frac{49}{100}$ .

7. Start writing the amount in words at the extreme left of the space allotted to it. Any empty space on this line should be filled in with a straight or wavy line, drawn from the last letter of the amount right up to the printed Dollar.

8. The signature must always be written in ink, just as it appears on the signature card filed at the time of opening the account. It has been proved that it is more difficult to forge a simple signature than one written with many flourishes and fancy decorations.

9. Never sign blank checks, even for your best friend. The check may be lost and the finder can then write his own "ticket."

10. Do not erase or cross out anything once it is written. If the erasure is a minor one, you can initial it to show the bank that you are aware of the correction.

11. It is easy to keep a record of your checks if you number them in rotation.

6. **Checkbook Accuracy.** During a month you can always know the balance in your checkbook, if you enter all deposits on your check stub, and deduct the amount of each check issued. At the end of each month, good business men verify the accuracy of their checkbook balance by comparing it with the amount found on the records of the bank.

Since a man who has a checking account may send his checks to all parts of the country, it is possible that several days, or even weeks, may pass before the checks are returned to the bank for payment. Also, although it is poor policy, many people carry checks around for several days before they cash them. For these reasons, the statement which the bank sends at the end of the month may not agree with the checkbook balance. Let us take your own class as an example. Suppose you, as a depositor, give your teacher, acting as a banker, \$5.00 to be held by her until \$5.00 worth of checks are presented for payment out of your account. Let us suppose, also, that you write the following checks:

- #1 to James for 75¢
- #2 to Helen for 50¢
- #3 to Marie for \$1.50
- #4 to John for \$1 and
- #5 to Walter for 35¢

This means that you have written \$4.10 worth of checks. You know that you deposited \$5.00 therefore your teacher must have 90¢ to your credit. At the end of the week you receive a statement from your teacher which reads as follows:

#### STATEMENT OF CHECKING ACCOUNT

	<i>Checks Paid</i>	<i>Deposits</i>	<i>Balance</i>
May 1 .....		\$5.00	\$5.00
May 2 .....	.75		4.25
May 3 .....	\$1.00		3.25
May 4 .....	.35		2.90

After examining this statement, you see that your bank tells you that you now have \$2.90 in your checking account. Is this amount correct? Your checkbook shows that you should have 90¢ only, so you study the statement to see what is wrong. You find that instead of paying five checks, your teacher has paid only three. This means that two checks are still unpaid or outstanding. Is this money yours?

It isn't really yours at all, because you have given permission to Helen and Marie to draw money from your account. For some reason they did not do so. In order to see whether your accounts are correct, you prepare a little statement of your own, which is called a *reconciliation statement*. This statement is used to prove whether your check balance is correct according to your bank balance.

#### RECONCILIATION—BANK STATEMENT—MAY

Balance on the bank statement . . . . .	\$2.90
Less checks which have not been paid:	
#2 for . . . . .	.50
#3 for . . . . .	1.50
	<hr/>
Total outstanding checks . . . . .	2.00
	<hr/>
Corrected balance, which agrees with the check-	
book balance . . . . .	\$ .90

In business, the same procedure is followed. The businessman subtracts all outstanding checks from the balance on his bank statement, and the difference must agree with the balance shown in his check-book, after deducting the service charge made by his bank.

Any person who has a checking account should check the accuracy of his balance on receipt of his bank statement every month. This is essential because at the bottom of all bank statements you will see a notice which usually reads, "PLEASE EXAMINE AT ONCE. If no errors are reported in ten days accounts will be considered correct." Checks are money substitutes. A check lost, forged, or raised, represents a loss of money. It is better to be safe than to be sorry.

#### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-27 are placed in a box. Each contestant takes a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Tell the class about three personal experiences you have had which serve to illustrate the role of banking in our everyday activities.



2. You have always thought that a bank is a bank and that all banks are alike. Are you still of the same opinion? Why?

3. An old relative of yours tells you that she prefers to hoard her money in the cellar of her house, because she does not trust banks. How would you answer your relative?

4. The initials F.D.I.C. stand for Fire Department Investigating Committee. True or false? Why?

5. You have been working after school and have succeeded in accumulating \$25. What kind of bank account would you open, and how

6. When you open a savings account, the bank officer asks you a great many personal questions because he is curious to know your family background. True or false? Why?

7. For the sake of variety a person should write his signature differently on every possible occasion. What is your viewpoint?

8. It is not necessary to have your deposit book when you go to the bank to withdraw money from your savings account. True or false? Why?

9. Tell the class the steps involved in making a deposit to your savings account.

10. Explain to your class the meaning of interest when it is used in connection with money. Why is interest paid?

11. Checking accounts encourage people to spend more money. Answer this statement by discussing the value of checking accounts.

12. What is a credit instrument? Give specific illustrations to prove your point.

13. You have decided to open a checking account. Tell the class just how you would go about starting your account.

14. What is the procedure in depositing money in a checking account?

15. How is money deposited in a savings account?

16. Explain the difference in withdrawing funds from a savings account and from a checking account.

17. Your father recently deposited a check which was returned by his bank with the statement, "Insufficient funds." What did the bank mean?

18. A check is a check, no matter how it is written. Discuss this statement.

19. Identify the following terms: payee, drawer, postdated, denominations, bearer.

20. Check stubs are a nuisance and merely take up valuable time. How do you feel about this viewpoint?
21. Your friends says that banks have hurt business because everybody can make "artificial money by using checks." What do you think about this? Why?
22. A check is an abbreviated business letter. Explain.
23. The bank sends out a statement at the end of the month to every depositor in order to keep the bookkeeping staff busy. True or false? Why?
24. A friends tells you that he has more money in the bank than he thought he had, because his bank statement shows a balance of \$200 while his checkbook shows a balance of \$50. Is your friend correct? Why?
25. It is good practice to carry around a check which has been given to you in order to give the drawer of the check an opportunity to deposit sufficient funds to meet the payment. Do you agree with this statement? Why?
26. Tell the class how you can co-operate with the receiving teller when you make a deposit.
27. Business can do without banks. Discuss.

## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams, and then begin. May the best speller win!

accommodation	community	insists	receive
accumulated	compelled	necessary	requires
actually	considerable	ordinary	specialize
allotted	current	outstanding	specie
arrangements	customer	payee	specified
aware	enough	permission	straight
basic	flourishes	possibility	substitute
bearer	financial	principles	sufficient
bicycle	governmental	privilege	transact
birthday	indicates	procedure	typewriter
cater	initial	protection	varies
commercial	inquire	receipt	verify

## THE FIRST OF THE THREE R'S—READING

accurate	deposited	forgery	rotation
canceled	designate	identification	routine
computed	drawer	permanent	safekeeping
conveniently	endorsement	postdating	vogue
credit	erasure	receiving teller	void
denomination	essential	reconciliation	withdrawal

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Ask your father and other members of your family to tell you what bank services they use.
- (b) Make a list of these services under the heading, *Bank Services in My Community*.

### Job 2—

- (a) Make a chart of the banks in your community. Set it up in this way.

### LOCAL BANKS

Name of Bank	Location	Kind of Bank	Specializes in Handling

- (b) Obtain the necessary information and complete the chart.

### Job 3—

- (a) Using the list of local banks prepared in Job 2a, visit a savings bank; notice the arrangements of the bank.
- (b) Ask the attendant for a sample copy of a signature card.
- (c) Ask for sample deposit and withdrawal slips.
- (d) Bring your collection to class and compare it with the forms collected by other students.

### Job 4—

- (a) Use the material collected in Job 3 to start an imaginary savings account.
- (b) Fill out the necessary forms.
- (c) Rule up a sample passbook.
- (d) Write at least five deposit slips and enter them in your passbook.

- (e) Write at least three withdrawal slips and enter them in your passbook.
- (f) Balance your passbook at the end of your transactions.

**Job 5—**

- (a) Visit some of the local banks.
- (b) Ask for the interest rate on savings accounts.
- (c) Compare the rates paid by different banks.

**Job 6—**

- (a) Prepare a chart to show the advantages and disadvantages of a checking account. Set it up in this way.



### CHECKING ACCOUNTS

Advantages	Disadvantages

- (b) Complete the chart.

**Job 7—**

- (a) Visit several commercial banks in your vicinity.
- (b) Determine the exact charge made for handling checking accounts.
- (c) Compare these charges.

**Job 8—**

- (a) Prepare a chart to show the steps involved in opening a checking account.
- (b) Obtain samples of the forms used in a checking system.

**Job 9—**

- (a) Using the material obtained in Job 8b, open an imaginary checking account.
- (b) Rule up a passbook and a checkbook.
- (c) Make out at least ten deposit slips.
- (d) Enter the deposits in your passbook and checkbook.



Job 10—

- (a) Obtain a specimen check from a bank.
- (b) Make a list of the various parts of a check.

Job 11—

- (a) Write at least eight checks to withdraw funds from your account.
- (b) Prepare the check stub first according to the information in Job 9c.
- (c) Write the checks according to the list in Job 10b.
- (d) Carry down the balance left in your account after each withdrawal.

Job 12—

- (a) Prepare a bank statement for Jobs 9 and 11c.
- (b) Assume that all the checks issued in Job 11c have been presented to the bank except checks 3, 5, and 8.

Job 13—

- (a) Compare your checkbook balance in Job 11 with the bank balance in Job 12b.
- (b) Prepare a reconciliation statement to prove the accuracy of your work.

Job 14—

- (a) Your father wrote the following checks:

#281 for \$6.00	#287 for \$2.75
#282 " 10.00	#288 " 8.17
#283 " 3.25	#289 " 3.12
#284 " 45.00	#290 " 6.45
#285 " 23.50	#291 " 1.76
#286 " 1.15	

- (b) His bank and checkbook balance on June 1 was \$250.95. On July 1 he received his statement from the bank which showed a balance of \$152.12. The following checks were returned with the statement: \$6, \$10, \$3.25, \$45, \$23.50, \$1.15, \$8.17, \$1.76. His checkbook balance was \$139.80.
- (c) Prepare your father's reconciliation statement.

## PART TWO: CONCLUDING YOUR BANKING TRANSACTIONS

In Part One we started to discuss the keeping of a checking account. In this part of our work, we shall finish checking-account activities and consider some of the other bank services frequently used by business.

### 1. Endorsements.

*Blank endorsement.* You will recall that when we spoke about depositing checks to your account, we mentioned that they should be *endorsed* correctly by the payee. Just what does this mean? Mr. I. M. Drawer makes out a check payable to the order of your father. Your father uses this check to pay his grocer. Your father must sign his name on the back across the narrow side at the left end of the check. This is a receipt showing that your father received payment on the check and is now transferring the ownership of it to the grocer. If he signs his name only he has used a blank endorsement. This means that any person who obtains possession of the check can endorse it and cash it.

*Full endorsement.* Your father is sending the check by mail and wants to be sure that Mr. Grocer receives the check. He, therefore,

James E. Bowen

Pay. to order of  
Salem Trust Co.  
J. E. Bowen  
James E. Bowen

For deposit only in  
Salem Trust Co.  
James E. Bowen

Pay to order of  
Fred Hardy  
James E. Bowen  
without recourse

endorses it on the back by writing in the same position as before, "Pay to the order of A. Grocer" and then signs his name. This means that no one can cash this check until Mr. A. Grocer has endorsed it. A full endorsement is the safest type of endorsement for general use.

*Restrictive endorsement.* Your father knows that once he has endorsed a check, he assumes a certain liability or responsibility on it until it is paid. He, therefore, wants it cashed as soon as possible. He accomplishes this by endorsing it, "Pay to A. Grocer only," and signs his name. This means that Mr. A. Grocer must cash the check because he cannot transfer it to any other party.

*Qualified endorsement.* Your father is willing to let Mr. Grocer transfer the check, but he does not want to assume any responsibility if it is not paid by the drawer after it is given to the grocer. To accomplish both purposes, he endorses the check, "Pay to the order of A. Grocer without recourse." This transfers his possession of the check, but discharges his responsibility on it if it is not paid by the drawer.

*Double endorsements.* Your father receives a check on which his name is misspelled. He must first endorse the check just as it is written, and then endorse it correctly. If he omits the first endorsement, the bank can refuse to honor the check when it is presented for payment.

## 2. Additional Checking Information.

*Stop payment.* If a check is lost after it has been issued, the drawer can instruct his bank to refuse to honor it, if it has not already been presented for payment. Oral instructions to this effect must be confirmed with a written memorandum, signed by the drawer. The important thing to remember, in this connection, is that the drawer is the only one who has the authority to stop payments on a check.

*Certified check.* There are times when a payee may refuse to accept an ordinary check because he does not know the drawer or because the transaction involves an immediate transfer of property. He cannot afford to take the chance of accepting an ordinary check which may be dishonored after the property has been delivered. In such transactions, the payee will demand a *certified check*. The

drawer makes out a regular check. Then, either he or the payee brings it to the bank to verify whether the drawer has sufficient funds on hand to meet the payment. If the money is on deposit, the bank teller stamps the check *Certified* and immediately takes out of the drawer's account the amount necessary to pay the check when presented for payment. This is definite assurance to the payee that the check will be paid.

*Cashier's or treasurer's check.* A cashier's or treasurer's check may be purchased at the bank by anyone, including those people who do not have checking accounts of their own. Because the credit of the bank is recognized by the community, a cashier's check, which in reality is a check issued by the bank, is readily accepted by all. Some banks charge a small fee (usually ten or fifteen cents) for this service.

3. **Check Clearance.** We have seen that a check is an order by one person (drawer) to another (drawee), to pay a third party (payee) a certain sum of money. This is usually paid by a bank. This means that regardless of where the check changes hands, the bank of the depositor must pay out the money. It makes no difference where the check is written, or to whom the check is given. Payment may be made only at the bank where the money is on deposit. A man who deposits his money in a bank in Chicago, and mails a check to a store in Portland, Oregon, knows that the check must go first to Portland, and then it must return to Chicago before payment is actually made. For this reason many banks will not cash checks unless the person who presents them is willing to wait several days until the check "clears," or is paid by the depositor's bank.

Let us study the situation a little more closely. Let us say that there are four banks in your community. Your father has his account in Bank A. The butcher has his account in Bank B. The grocer uses Bank C. And the garage man has his account in Bank D. These banks are scattered all over the city, and it is inconvenient for these people to visit any bank but the one in which they have their account. When your father pays the butcher's bill, he writes the check on his Bank, A. The butcher does not use Bank A, because it is too far from his place of business. Instead, he deposits your father's





*A clearing house where checks start on their way home.*

check in his own bank, B. His bank B will then send your father's check to Bank A for collection. Your father pays his grocery bill by writing a check, on Bank A. Since the grocer cannot go to Bank A, he deposits the check in his own bank, C. Bank C will then send your father's check to Bank A for collection. When your father pays his garage bill by giving a check drawn on Bank A, the proprietor of the garage deposits the check in Bank D. How, then, are these complicated payments made? How does Bank A pay your father's check when it is deposited in Bank B, C, or D? The answer is that these banks all send the checks to the bank on which they have been drawn, and receive payment for them. Usually the banks do not transfer actual cash, but only make a bookkeeping entry to record the payment. This is all very easy when there are only a few checks to be transferred, or when there are a few banks in the community. But how can it be handled in a city where there are dozens, even hundreds, of banks, and thousands upon thousands of checks?

Payment is made in the following manner. A separate institution or association is set up. Each bank in the community is a member of this Clearing House Association, as it is called. At the end of a day's

banking business, the checks of each of the other banks, which have been deposited in Bank A, are tied in separate bundles—one for each bank. The checks received by all of the banks are then sent to the clearing house for distribution among the members. Each member sends two messengers to the clearing house. One distributes the checks, which have been deposited in Bank A, drawn on other member banks. The other messenger remains at his desk to receive the checks which have been drawn on Bank A, deposited in other banks, and brought to him by messengers of the banks in which they have been deposited. After all checks have been delivered, the banks settle for the difference between the amount deposited by their depositors and the amount paid out by their checking accounts. Bank A had \$100,000 deposits of checks drawn on Bank B. Bank B had \$75,000 deposits of checks drawn on Bank A. A bookkeeping entry is made showing that for this particular day Bank B owes Bank A \$25,000. Tomorrow the situation may be reversed!

4. **Federal Reserve System.** The Federal Reserve System acts as a clearing house for the collection of checks drawn on widely scattered banks. A check deposited in San Francisco drawn on a New York bank will be cleared through the Federal Reserve System. The Federal Reserve is a bank for member banks. It does not transact business with individuals. It deals only with banks. There are twelve Federal Reserve Banks located in key cities all over the United States. These banks are controlled by a Board of Governors with offices in Washington. The Federal Reserve System unites all the leading banks in the country into one large, strong organization for the mutual protection and service of member banks.

#### 5. **Loans.**

*Personal loans.* What does a bank do with the money deposited for safekeeping? After putting aside a certain reserve fund (protection) to meet current requirements, a bank is interested in lending out money at a profit which is called interest. Loans made to individuals are called *personal loans* and usually do not exceed \$300. The borrower signs a *promissory note* agreeing to repay the amount borrowed at specified intervals, with interest at a fixed rate. The interest is usually deducted in advance and is called *discount*. If your

father borrows \$300 for one year at 6 per cent, he will receive \$282 ( $\$300 \times .06 = \$18$ ) and ( $\$300 - \$18 = \$282$ ). He must repay a total of \$300 by the end of the year.

*Business loans.* Businessmen frequently borrow money for short periods to take advantage of cash discounts or to meet current obligations. Most merchants offer a 2 per cent cash discount if bills are paid in ten days. Since a thirty-day period is the usual credit allowance, a buyer can save 2 per cent if he pays his bill twenty days ( $30 - 10 = 20$ ) before it is due. This means that a wide-awake businessman, who discounts all of his bills, can earn 36 per cent a year. He saves 2 per cent by paying twenty days before the due date. There are eighteen such twenty-day periods ( $360 \div 20 = 18$ ) in a year. If he saves 2 per cent in each period this will yield him 36 per cent ( $18 \times 2\% = 36\%$ ) a year. If he borrows from the bank at 6 per cent and earns 36 per cent a year, he is still far ahead of the game.

*Discounting notes.* Your father has received a promissory note from a customer which will fall due in three months. If your father needs the money at once he can sell the note to the bank. The bank will charge your father interest for the unexpired time (until the due date) on the note and give him the balance. This process is called discounting a note and actually involves lending money on a promissory note as security.

*Mortgages.* Banks lend money to finance the building of homes, apartments, and stores, or for the improvement of property. As security for the loan, the bank receives a mortgage on the property. If the loan is not repaid as promised, the bank can sell the property or foreclose it to meet the payments due. Most banks are co-operating with the Federal Housing Administration, an agency of the United States government, to stimulate the building of new homes.

## 6. Additional Bank Services.

*Trust activities.* In order to insure the proper execution of a will which a person makes out before he dies, banks have opened special departments which handle only this type of work. Because there are usually large sums of money involved in a will, it is necessary that someone or some institution, with experience in dealing with money matters, be chosen to carry out the terms of the will. The



department of the bank which does this kind of work is called the Trust Department. Banks are frequently named as trustees.

*Advice.* Many times businessmen find it necessary to consult someone on important money matters. Bankers are always willing to help with their advice. This is a very important service to the business community. Private individuals would also do well to consult their local banker for financial advice.

*Credit rating.* Because the bank probably knows more about a person's financial standing than anyone else in the business community, it is used very often to establish a line of credit. In other words, if your father wishes to open a charge account at a department store, he will be asked for the names of the banks with which he does business. Then the store will communicate with the bank to learn something of your father's credit.

*Safe-deposit boxes.* Most banks have made provision for storing valuable papers and documents in specially constructed boxes which they keep in their vaults. These are known as safe-deposit boxes and cost from \$2.00 or \$3.00 per year for very small ones to \$300 or \$400 a year for very large ones. Wills, bonds, stocks, diamonds, and other valuables are kept in these boxes.

*Storage vaults.* In recent years banks have been extending the uses made of their storage vaults. They provide safe storage space

*Are your valuables as safe at home?*





for rare and valuable rugs, silverware, and antiques. This is one example of how business is changing to meet the needs and desires of the public.

## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. Your local bank serves the financial needs of your community.
2. It is necessary to exercise great care in order to prevent financial loss.
3. You can save yourself and the bank time and energy, if you prepare deposits carefully in advance.
4. Checking accounts are in common use as an aid in transacting business.
5. Checks must be written very carefully.
6. At the end of every month, the checkbook balance should agree with the bank statement.
7. A person who endorses a check assumes a certain amount of liability for it.
8. A full endorsement is the best type for general use.
9. A certified check is a guarantee that the check will be paid.
10. Only the drawer can stop payment on a check.
11. Clearing houses provide a means for the final payment of checks.
12. A Federal Reserve Bank is a banker's bank.
13. Personal loans, at reasonable interest rates, can be made at a bank.
14. Thrifty businessmen take advantage of cash discounts even if they have to borrow from a bank to do so.
15. Banks render many services in addition to savings and checking accounts.

## YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-19 are placed in a box. Each contestant takes a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. An endorsement of a credit instrument is a statement by the owner of the instrument, saying that he approves the qualities of the instrument. Discuss this statement in full.

2. You are told that a certain endorsement is a blank indorsement. What does it include? What do you think of a blank endorsement?
3. Tell your class how you would write an endorsement in full. When and why would you use this endorsement?
4. A restrictive endorsement is an exclusive endorsement because it is not frequently used. Discuss this statement.
5. Your father tells you that he likes to use a qualified endorsement. What does he mean?
6. What would you do if you lost a check given to you by your uncle?
7. You overheard your father say that he will not close a certain deal, unless he receives a certified check. Discuss.
8. You notice on your bank's sign that your bank is a member of a Clearing House Association. Explain the purpose and operation of this clearing house.
9. Your banker tells you that his bank is a member of the Federal Reserve System. Tell your class how the Federal Reserve System operates, and the reason for its existence.
10. What does the bank do with the money which it receives on deposit?
11. Why are canceled checks acceptable as receipts even in a law court?
12. You are told by some of your business friends that it is considered good business to borrow at times, even if you do not need the money which is borrowed. How do you feel about this viewpoint?
13. A good businessman always takes advantage of cash discounts. What does this mean? Is the statement true or false? Why?
14. Because your father must meet some unexpected obligation, he tells you he is going to the bank to discount some promissory notes he has on hand. Tell your class what he means.
15. The initials F.H.A. stand for Federal Housing Authority. True or false? Why?
16. You have noticed that some of the banks in your community are called trust companies. Why? In what type of banking business do they specialize?
17. You have heard people say on many occasions that in order to succeed in business it is essential that you have a good credit rating. What does this mean? How do you obtain a credit rating?

18. You have noticed that your bank has large, strong, steel vaults. What use does the public make of these vaults? Explain.

19. The proceeds on an interest-bearing note are greater than the proceeds on a non-interest-bearing note. True or False? Why?



### SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams, and then begin. May the best speller win!

additional	conclude	improvement	recognized
administration	controlled	inconvenient	responsibility
allowance	depositor	individuals	reverse
antiques	difference	memorandum	scattered
association	distribution	messengers	separate
assurance	entry	misspelled	situation
authority	execution	mutual	stimulate
bookkeeping	federal	narrow	storage
borrower	frequently	possession	therefore
brought	garage	process	trust
bundle	honor	promissory	unexpired
clearance	immediate	reality	yield

### THE FIRST OF THE THREE R'S—READING

borrow	discount	personal loans	reserve
certified check	dishonored	possession	restrictive
clearing house	foreclose	promissory	steel
community	liability	proprietor	transferring
confirmed	line of credit	qualified	usual
diamond	obligation	render	vaults

## THE SECOND OF THE THREE R'S

Each of the four capitals to be studied in this exercise has the same initial loop stroke. Do not write these letters until you have studied them carefully. In making the first upward stroke in the capital *W*, be careful not to make a loop as you swing away from the base line. The second downward stroke is straight and the final stroke is a graceful upward motion.

The capital *X* is very seldom used but it is necessary that we use extreme care in making it. The second part of this letter is the reverse of the first; the downward stroke should meet the first stroke at the center. Many times this does not happen and, when it does not, a short straight line should be used to connect the two strokes.

First, check your posture and position and then write the exercise.

The capital *U* is the only capital in this exercise that should be joined to letters that follow in a word.

*V*      *U*      *W*      *X*

- |   |  |
|---|--|
| <p>1. <i>Virginia</i></p> <p>2. <i>Vicksburg</i></p> <p>3. <i>Uniontown</i></p> <p>4. <i>Utica</i></p> <p>5. <i>Waltham</i></p> | <p>6. <i>Washington</i></p> <p>7. <i>Wilmingtong</i></p> <p>8. <i>Westfield</i></p> <p>9. <i>Worcester</i></p> <p>10. <i>Xenia, Ohio</i></p> |
|---|--|

## BUILDING BUSINESS HABITS

### Job 1—

- (a) Prepare a chart to show the different kinds of endorsements.  
Set it up in this way.

### ENDORSEMENTS

Kind	Sample	When Used	Advantages	Disadvantages

- (b) Complete the chart.



Job 2—

- (a) Use the eight checks prepared in Job 11a, Part One, of this chapter.
- (b) Endorse each check using all the endorsements discussed in Part Two.

Job 3—

- (a) You are interested in determining how local checks are cleared for payment.
- (b) Visit a bank and make inquiries.
- (c) Prepare a written report on local check clearance.

Job 4—

- (a) Imagine that your class is a banking community.
- (b) Let each row represent a local bank. Row 1 is Bank A. Row 2 is Bank B. Row 3 is Bank C. Row 4 is Bank D and Row 5 is Bank E.
- (c) Let each member of a row make out checks on the other rows. Students in Row 1 draw checks on Banks B, C, D, and E which they will deposit in Bank A. Students in Row 2 draw checks on Banks A, C, D, and E which they will deposit in Bank B.
- (d) Set up a clearing-house association and clear the checks.
- (e) Calculate how much each bank owes the other banks.

Job 5—

- (a) Find out the number of your Federal Reserve district.
- (b) Determine the location of the twelve Federal Reserve Banks.
- (c) Give your report to the class.

Job 6—

- (a) Investigate your local banks to determine the kind of loans made. Prepare a chart in this way.

LOCAL BANK LOANS

Kind of Loan	Terms	Security Required

- (b) Complete the chart.

Job 7—

- (a) Ask several local businessmen to tell you what cash discounts are offered in your area.
- (b) Determine the usual bank-interest rate on business loans.
- (c) Calculate how much a businessman can save if he borrows from the bank to discount his bills at the prevailing rate of interest.

Job 8—

- (a) Assume that your brother wishes to build a small home.
- (b) Find out from your banks what arrangements can be made.
- (c) Get the terms on an F.H.A. loan to build a \$6000 home.

Job 9—

- (a) Determine from the banks in your community which of the following has the best line of credit.
- (b) *Mr. A*—Net worth \$10,000. Has never borrowed from any bank. Always pays cash. Does not have any charge accounts. Keeps his money in the city where his office is located.
- (c) *Mr. B*—Net worth \$5000. Has borrowed from local banks on several occasions, always meeting payments on time. Has several charge accounts which are paid before the tenth of each month. Keeps his funds in local banks.
- (d) *Mr. C*—Net worth \$12,000. Has borrowed from local banks. Is slow in meeting obligations. Had charge accounts which have been closed because of failure to pay within a reasonable time. Keeps funds in local banks.



## THE THIRD OF THE THREE R'S—ARITHMETIC

### Situation 1—

- (a) Assume that you have made the following deposits and withdrawals in your savings account:

Deposits	Withdrawals
\$25.00	\$3.25
1.75	5.65
3.80	8.40
1.10	5.75
12.35	6.00
16.95	
8.54	
19.21	
2.00	
6.00	

- (b) Total deposits?  
 (c) Total withdrawals?  
 (d) Balance on deposit?  
 (e) Per cent of increase since the first deposit?  
 (f) If the balance remains untouched for three years how much will it increase if interest is computed semi-annually at 2 per cent?

### Situation 2—

- (a) Fill in a deposit slip for the following:

37 pennies  
 26 nickels  
 18 dimes  
 19 quarters  
 6 half dollars  
 9 one-dollar bills  
 3 two-dollar bills  
 6 five-dollar bills  
 3 ten-dollar bills  
 1 twenty-dollar bill  
 1 check for \$25.68  
 1 check for \$12.97  
 1 check for \$8.52

- (b) Total amount of each denomination?  
 (c) Total amount of specie?

- (d) Total amount of bills?
- (e) Total amount of checks?
- (f) Total deposit?
- (g) Compare the amount of specie with the amount of bills and checks.

### Situation 3—

- (a) A savings-account passbook you found at home has the following entries:

\$24.00.....	6 mos.....	2%
75.00.....	18 mos.....	2½%
120.00.....	3 mos.....	1%
230.00.....	1 mo.....	2%
310.00.....	4 mos.....	2%
485.00.....	24 mos.....	1½%
240.00.....	9 mos.....	1¾%
200.00.....	12 mos.....	3%
50.00.....	15 mos.....	1%
150.00.....	1 mo.....	2%

- (b) Calculate the interest earned in each case and the new balance.
- (c) Total of the old balances before interest was added?
- (d) Total of the new balances?
- (e) Total period of time?
- (f) Amount of interest earned during this period?

### Situation 4—

- (a) One of your local banks has the following service charge on checking accounts:

In accounts where the balance is less than \$100, the charge is \$1.00 per month, and \$.05 for each check paid.

Assume that your father has used his checking account during a year as follows:

1. Average monthly balance \$65.
2. Average number of checks issued per month—43.

- (b) Calculate his annual service charge.

### Situation 5—

- (a) Use the information in Situation 4a. Assume that there is no charge for the balance, but the bank charges \$.05 for each check after the first five. What would be the annual charge if 58 checks are issued every month?



- (b) What would be the annual charge if the bank charges \$.05 for each check after the first fifteen checks and if 97 checks are issued each month?

**Situation 6—**

- (a) Your father's checkbook on August 1 shows a balance of \$187.65. He makes the following deposits during the month:

\$32.50; \$46.85; \$110.91; \$18.67; \$68.52; \$43.41; \$91.60; \$19.22; \$38.74;  
\$65.50; \$137.11; \$119.58.

He issues the following checks:

\$8.67; \$9.58; \$13.45; \$11.78; \$82.90; \$16.75; \$1.12; \$35.40; \$10.22;  
\$19.58; \$12.50; \$16.11; \$12.14; \$2.24; \$19.51; \$18.67; \$3.05; \$4.07;  
\$1.12; \$5.16; \$4.92.

- (b) Total deposits?  
(c) Total withdrawals?  
(d) Checkbook balance at end of month?  
(e) What would be his bank balance if the last six checks had not been cashed?  
(f) What was the bank-service charge if the terms are the same as in Situation 4a?

**Situation 7—**

- (a) Your father sends you to deposit 2000 pennies, 400 nickels, 219 dimes, 133 quarters, 96 half dollars and 18 silver dollars.  
(b) Calculate the total deposit.

**Situation 8—**

- (a) Your father holds a non-interest-bearing, sixty-day note for \$250, which will fall due in 30 days. He needs money immediately so he discounts it at 6 per cent. How much will he receive?  
(b) He does the same with a \$350 non-interest-bearing, 90-day note which will fall due in 30 days. How much will he receive?  
(c) He does the same with a \$200 non-interest-bearing note for 45 days which will fall due in 30 days. How much will he receive?

**Situation 9—**

- (a) A local merchant tells you that in his line, credit terms are 3/20, n/60. If he can borrow at the bank at the rate of 5 per cent how much can he save during a year if he discounts all bills promptly?

- (b) Compute the savings if credit terms are 2/10, n/60 and bank rate is 5 per cent.

**Situation 10—**

- (a) There are four banks in your community. At the close of business on a certain day, each bank reported that its depositors had deposited checks as follows:

<i>Bank A</i>		<i>Bank C</i>	
<i>Checks drawn on</i>		<i>Checks drawn on</i>	
Bank B	\$35,000.00	Bank A	\$43,500.00
Bank C	47,500.00	Bank B	18,590.00
Bank D	29,285.60	Bank D	27,310.00

<i>Bank B</i>		<i>Bank D</i>	
<i>Checks drawn on</i>		<i>Checks drawn on</i>	
Bank A	\$28,000.00	Bank A	\$27,800.00
Bank C	16,000.00	Bank B	18,645.00
Bank D	15,695.40	Bank C	34,595.00

- (b) Calculate the total checks deposited in each bank.  
 (c) Calculate the total checks deposited in all banks.  
 (d) How much did Bank A owe to Banks B, C, and D? (Checks drawn on Bank A and deposited in Banks B, C, and D.)  
 (e) How much did Bank B owe to Banks A, C and D?  
 (f) How much did Bank C owe to Banks A, B and D?  
 (g) How much did Bank D owe to Banks A, B and C?

**Situation 11—**

- (a) Your father made the following Personal Loans from a bank which were discounted in advance:

1.	\$250.00.....	90 days.....	6%
2.	175.00.....	60 days.....	5%
3.	150.00.....	45 days.....	6%
4.	300.00.....	6 mos.....	6%
5.	85.00.....	30 days.....	6%

- (b) How much did he receive on each loan?  
 (c) Total amount received on all loans?  
 (d) Total amount repaid on all loans?  
 (e) Total amount of interest paid in advance (discount)?

Situation 12—

- (a) Your brother who is to be married and who wishes to build a house finds out that he can obtain a loan from his bank insured by the F.H.A. up to 90 per cent of the value of the house. He can repay the loan in 25 years at  $4\frac{1}{2}$  per cent interest. He is interested in building a home costing \$5000.
- (b) How much will the F.H.A. lend on the house?
- (c) How much cash will your brother have to invest in the house?
- (d) What will be the annual payments to repay the loan? Monthly payments on principal?
- (e) What will be the interest payment for the first year? Monthly payments on interest?
- (f) What will be his total monthly expenditure during the first year for payment of principal and interest?







## XV

### FACTS—WHERE TO FIND THEM

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *How many home runs did your favorite batter hit in his best year?*
2. *Who was the eleventh President of the United States?*
3. *Where can you quickly find rules for placing commas?*

1. **Finding Facts.** Did you ever hear of someone referred to as a "walking encyclopedia"? This means that he was full of information which he reeled off right and left. Another term commonly used in the same connection is "bookworm." You surely do not wish to get the reputation of being a bookworm or a walking encyclopedia, do you? On the other hand, there are many occasions when it is necessary to obtain specific, little-known information and to obtain it in a hurry. No one expects you to know everything. Yet, you should know where to find any information which is needed and to find it rapidly. We shall therefore acquaint you with the methods of finding needed facts. It is not necessary to memorize or remember all the details in this chapter. We do hope, though, that when you need certain facts you will recall this section of your work and refer to it for assistance.

A book which contains information to be referred to only when needed is called a *reference book*. No one would think of reading a reference book from cover to cover or even for any length of time. It is merely used when and if needed for obtaining certain data. You will probably be surprised to learn that it is necessary to have a reference book on reference books because there are so many books which are used as storehouses of knowledge. In other words, if you wish to find out where you can look for certain reference informa-

tion, you first look in a reference book on reference books. It would take you much too long to search through all the reference books in a library to find certain types of information.

The best-known reference book on reference books is *Guide to Reference Books* by I. G. Mudge. It lists all kinds of reference books. You will find in it not only books containing information about business, but also about history and other school subjects. You may use this book in connection with most of your other school work. Just to give you an idea of the reference books to which Mudge is a guide, let us look at a sample of its table of contents. Do not worry about remembering these titles, just read them.

Magazines

Literature

Debates

Societies and Museums

Encyclopedias (American, British, and foreign)

Dictionaries (American, British, and foreign)

Religion

Social Sciences (Government, Labor, Business and Commerce,  
Transportation, Education)

Science (Mathematics, Physics, Chemistry, Biology)

Useful Arts (Patents, Agriculture, Medicine, Home Economics,  
Radio, Printing)

Fine Arts (Painting, Furniture, Photography, Music)

Geography and History

Let us suppose, by way of illustration, that your brother secures a position as clerk in a railroad office and finds many words coming up in his daily work which he does not quite understand. He comes to you for assistance. You cannot make use of a dictionary because most of the words are technical and are not in the dictionary. What you need is a handbook of railroad terms or a similar book. If you turn to the index in Mudge under *Railroad terms*, you will be referred to a page which lists three such books. You are not expected, of course, to buy a copy of Mudge for the infrequent use you might make of it, since every large public library has a copy.

2. **Dictionaries.** Dictionaries are the most frequently used refer-

ence books. A dictionary is a book containing a collection of the words of a language, arranged alphabetically or in some other definite order, with explanations of their meanings, and often with other information concerning them. There are special types of dictionaries. A *glossary* is a special list of words and their meanings usually placed in a book which contains special terms. A *lexicon* is another word for a dictionary. A *thesaurus* is a book giving many synonyms. Dictionaries are generally thought of as reference books containing spelling and definition, but they contain much more information which we generally ignore. A good dictionary, in addition to showing the spelling and pronunciation of a word, shows its syllabication.



Do not let that long word frighten you. It merely means breaking up a word into syllables. The derivation of a word is also given to tell you how the word found its place in the English language. The synonyms and antonyms of a word are given. A synonym is a word having a similar meaning. A synonym of the word *book* is *volume*. An antonym is a word having an opposite meaning. An antonym of the word *fresh* is *stale*. Also the grammatical classification of a word is given. For instance, *book* is listed as a noun.

A dictionary which is complete and shows all the words in a language is called an *unabridged* dictionary. A briefer edition which you would use at home or in class is called an *abridged* dictionary.

The standard unabridged dictionaries are: Webster's *New International Dictionary* and Funk and Wagnall's *New Standard Dictionary*. As a matter of interest, let us now select a word from the *New International Dictionary* to see the information it gives. We will look up the word *freckle*.

*freck'le* (frĕk'l), *n.* [ME. *freken*, fr. ON *freknur*, pl. (Sw. *fräknar*, Dan. *fregner*.)] 1. A small brownish spot in the skin, esp. on the face, neck, or hands; lentigo. 2. Any small spot or discoloration.



What does all this mean? In the first word, *freck'le*, we have the spelling and the division into syllables. In parenthesis is given the pronunciation. The little mark over the letter *e* indicates the sound of *e* as in *met*. The mark ' indicates where the accent is placed. The *n* stands for noun, its part of speech. Within the brackets is indicated the origin or derivation of the word. Thus, we learn that freckle comes from the Middle English (ME.) *freken*. The letters *fr.* stand for *from*. In other words, a similar term exists in the Old Norse (ON) language which is called *freknur* (plural form), the Swedish (Sw.) word *fräknar*, and the Danish word *fregner*. Then we are given the definition and a synonym, *lentigo*. You have probably never heard a freckle called a lentigo, have you?

Of course you will say, "But I have no use for all that information." No, you probably have not at this particular moment, but keep in mind that the dictionary is a reference book, and as such, contains all the facts about words. The information is there for the time that you may need it.

Next in size to the unabridged dictionaries are those that are *semi-abridged* which, though too large for a desk, have their place in libraries. The best-known semi-abridged dictionaries are the *New Century*, and the *Shorter Oxford* dictionary.



The abridged dictionary is best for your needs because of its convenient size. It must be remembered, however, that when you look up a rare or technical word, or want detailed information, or several definitions, you will do best to refer to an unabridged dictionary. Every library has a copy of it available. If it still looks forbidding to you because of its size, ask your school or public librarian to help you with it. She will do so gladly. Once accustomed to the completeness of an unabridged dictionary, you will always prefer to use it, providing it is conveniently available. Some of the better abridged dictionaries are *Macmillan's Modern Dictionary*, *Webster's Collegiate Dictionary*, *Practical Standard Dictionary*, *The Winston Simplified Dictionary*, and *Webster's Students Dictionary*.

A thesaurus is a special type of dictionary which contains synonyms and words of related meanings. The word thesaurus itself means a treasure house. In simple language then, a thesaurus is a treasury of words. Suppose you are writing a composition about books and you do not wish to repeat *book, book, book*. Look up *book* in *The Roget Dictionary of Synonyms and Antonyms*, which is Roget's *Thesaurus*, arranged in dictionary style by C. O. Sylvester Mawson, and you will find the following.

**Book—Nouns**—book, volume, tome, writing, work, publication, production, lucubration; codex, treatise, monograph, brochure, pamphlet, booklet, tract, tractate, essay, dissertation; libretto; handbook, manual, textbook; novel; folio, quarto, octavo, duodecimo; magazine, periodical.

**Verbs**—book, enter, inscribe, list, register; engage, reserve.

See also DRAMA, POETRY, PRINTING, PUBLICATION, SCHOLAR.

Do you wonder that it is called a treasury or storehouse of words? Two similar books on this subject generally available in school and public libraries are Fernald's *English Synonyms and Antonyms* and Crabb's *English Synonymes* (note different spellings). To repeat what we have already said, synonyms are words of similar, and antonyms are words of opposite meaning. Even words having similar meanings have different shades of meaning, and it is the purpose of

these books to indicate the shades of meaning. Let us again assume you are writing a composition and that you have to use the word *destroy*. You find that you will have to use it again but prefer to use another word, one as similar as possible, in order to make the reading more interesting. Referring to Crabb's you look up *destroy* (the words are arranged alphabetically) and you find this:

**DESTROY**, Consume, Waste. (At this point the derivation of the words is given. Sometimes derivations, themselves, indicate shades of meaning.) To destroy is to reduce to nothing that which has been artificially raised or formed; as to destroy a town or a house: to consume is to use up; as to consume food, or to consume articles of manufacture: to destroy is an immediate act mostly of violence; consume is a gradual and natural process, as oil is consumed in a lamp. To destroy is always taken in the bad sense for putting an end to that which one wishes to preserve; consume is also taken in a similar sense, but with the above distinction as to the mode of the action: as a hurricane destroys the crops; rust consumes iron: to waste is to consume by a misuse; as to waste provisions by throwing them away or suffering them to spoil; or to fall away or lose its substance, as the body wastes from disease. See also demolish.

So you see that a simple word may have many shades of meaning.

3. **Handbooks and Manuals of English Usage.** In addition to information about words it is frequently necessary to look up information about English usage. Whether in business or in school, it is therefore always well to have available some handbook, such as the *Handbook of Composition*, by Edwin C. Woolley. This book contains rules of good English, grammar, sentence structure, paragraphing, manuscript arrangement, punctuation, spelling, essay writing, and letter writing. For example, if a question regarding the use of quotation marks should arise, reference to Woolley would reveal the following information:

Use quotation marks to enclose a direct quotation, but not to enclose an indirect quotation.

Wrong: He said "that he was grieved."

Right: He said that he was grieved.

Right: He said, "I am grieved."

A book similar to Woolley's which may be highly recommended is the *Century Collegiate Handbook*, by Greever and Jones. Another very valuable reference book along these lines is the *Handbook in Business English*, by Hotchkiss and Kilduff, which concerns itself with business letters and reports, giving valuable technical information, such as the mechanical display of the letter, punctuation and capitals, grammar, words, sentence structure, paragraphing, and composition as a whole. Let us suppose that you had a doubt concerning the meaning of *aggravate*. Upon looking it up in Hotchkiss and Kilduff, you would find the following:

Aggravate should never be used for annoy, vex, or exasperate. It means to make worse, as in "His financial difficulties were aggravated by this failure."

You realize of course that there are many other handbooks not mentioned. These mentioned are listed here because they are quite generally available.

4. **Encyclopedias.** When it is necessary to find information about any one of a thousand things, an *encyclopedia* is a very valuable aid. The encyclopedia concerns itself with things as contrasted with the dictionary which deals with words. It is a comprehensive summary of knowledge or a branch of knowledge such as the *Encyclopedia Britannica* and the Catholic *Encyclopedia*.

Encyclopedias give the desired information in as brief a manner as possible. Encyclopedias are not written by one writer or even a small group of writers. Each article is written by an outstanding authority. The article on *Abraham Lincoln*, for example, was written by:

NATHANIEL W. STEPHENSON, A. B., LITT. D., LL. D.

Professor of History and Biography in Scripps College and in the Graduate School of Claremont College, Claremont, California.  
Author of *An American History*; *The Day of the Confederacy*; *Abraham Lincoln and the Union*.

The article on *Make-Up* was written by Otis Skinner, who is a famous actor.



Yr.	Winning			Losing			Yr.	Winning			Losing		
	G.	Players'	Share	Players'	Share	G.		Players'	Share	Players'	Share		
1928	4	Yankees	\$5,813	Cardinals	\$4,181	1934	7	Cardinals	\$5,941	Tigers	\$4,313		
1929	5	Phila.	6,003	Chicago	4,002	1935	6	Tigers	6,831	Cubs	4,382		
1930	6	Philadelphia	5,038	Cardinals	3,536	1936	6	Yankees	6,440	Giants	4,656		
1931	7	Cardinals	4,344	Athletics	2,989	1937	5	Yankees	5,536	Giants	3,361		
1932	8	Yankees	5,010	Cubs	4,244	1938	4	Yankees	5,813	Cubs	4,674		
1933	5	Giants	4,599	Senators	3,231	1939	4	Yankees	5,541	Reds	4,193		

Yr.	Winners	Won	Losers	Won	Yr.	Winners	Won	Losers	Won
1903	Boston, A. L.	5	Pittsbg'h, N. L.	3	1922	N. Y., N. L.	4	N. Y., A. L.	0
1904	N. Y., N. L.	5	play Boston, A. L.		1923	N. Y., A. L.	4	N. Y., N. L.	2
1905	N. Y., N. L.	4	Phila., A. L.	1	1924	Washl., A. L.	4	N. Y., N. L.	3
1906	Chicago, A. L.	4	Chicago, N. L.	2	1925	Pittsbg'h, N. L.	4	Washl., A. L.	3
1907	Chicago, N. L.	4	Detroit, A. L.	3	1926	St. Louis, N. L.	4	N. Y., A. L.	3
1908	Boston, N. L.	4	Detroit, A. L.	1	1927	N. Y., A. L.	4	Pitts.	0
1909	Pittsbg'h, N. L.	4	Detroit, A. L.	3	1928	N. Y., A. L.	4	S. Louis, N. L.	0
1910	Phila., A. L.	4	Chicago, N. L.	1	1929	Phila., A. L.	4	Chicago, N. L.	1
1911	Phila., A. L.	4	N. Y., N. L.	2	1930	Phila., A. L.	4	St. Louis, N. L.	2
1912	Boston, A. L.	4	N. Y., N. L.	3	1931	St. Louis, N. L.	4	Phila., A. L.	3
1913	Phila., A. L.	4	N. Y., N. L.	3	1932	N. Y., A. L.	4	Chicago, N. L.	0
1914	Boston, N. L.	4	Phila., A. L.	0	1933	N. Y., N. L.	4	Washl., A. L.	1
1915	Boston, A. L.	4	Phila., N. L.	1	1934	St. Louis, N. L.	4	Detroit, A. L.	3
1916	Boston, A. L.	4	B'klyn, N. L.	1	1935	Detroit, A. L.	4	Chicago, N. L.	2
1917	Chicago, A. L.	4	N. Y., N. L.	2	1936	N. Y., A. L.	4	N. Y., N. L.	2
1918	Boston, A. L.	4	Chicago, N. L.	2	1937	N. Y., A. L.	4	N. Y., N. L.	1
1919	Cincinnati, N. L.	5	Chicago, N. L.	3	1938	N. Y., A. L.	4	Chicago, N. L.	1
1920	Cleveland, N. L.	5	B'klyn, N. L.	2	1939	N. Y., A. L.	4	Cincinnati, N. L.	0
1921	N. Y., N. L.	5	N. Y., A. L.	3					

Yr.	Clubs	G	Atten.	Recpts.	Yr.	Clubs	G	Atten.	Recpts.
1921	N. Y., N. L., N. Y., A. L.	8	269,976	\$900,233	1931	St. Louis, N. L.-Phila., A. L.	7	231,567	\$1,030,723
1922	N. Y., N. L., N. Y., A. L.	5	185,947	605,475	1932	N. T., A. L.-Chicago, N. L.	4	191,998	713,377
1923	N. Y., A. L., N. Y., N. L.	6	301,430	1,063,851	1933	N. Y., N. L.-Wash., A. L.	5	104,076	679,365
1924	Phila., A. L., N. L.	3	101,911	350,111	1934	N. Y., N. L., N. Y., A. L.	6	200,833	751,629
1925	Pitts., A. L.-Wash., A. L.	7	282,830	1,182,854	1935	Detroit, A. L.-Phila., N. L.	6	256,072	1,073,794
1926	St. L., N. L., N. Y., A. L.	7	328,051	1,207,864	1936	N. Y., A. L., N. Y., N. L.	6	302,924	1,204,399
1927	N. Y., A. L.-Pitts., N. L.	4	201,105	783,217	1937	N. Y., A. L., N. Y., N. L.	5	238,142	985,994
1928	N. Y., A. L.-St. Louis, N. L.	4	199,075	777,800	1938	N. Y., A. L.-Chicago, N. L.	4	200,833	851,166
1929	Phila., N. L., N. L.	3	101,911	350,111	1939	N. Y., A. L.-Cin' nati, N. L.	4	133,849	745,329
1930	Phila., A. L.-St. Louis, N. L.	6	211,619	953,722					

	R	H	E
Louisville . . . . .	0	0	3
Rochester . . . . .	0	1	0
Batteries—Terry (6 $\frac{1}{3}$ ), Olson (1 $\frac{1}{3}$ ), Flowers (1 $\frac{1}{2}$ ), M. Weaver (3), J. Weaver (1) and Madjeski; Grodzicki (2 $\frac{1}{3}$ ), Roe (4 $\frac{2}{3}$ ), Johnson (1), Henshaw (2 $\frac{1}{2}$ ), Ryba (2 $\frac{1}{3}$ ) and Beal. Winning pitcher, M. Weaver; losing pitcher, Henshaw.	0	0	0
	0	1	0
	0	0	0
	0	1	0
	0	0	0
	4	7	12
	0	3	11

Philadelphia . . . . . 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 3—4 16 2  
Boston . . . . . 0 0 0 0 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0—1 15 1  
Time of game 4 hours 47 minutes.  
Batteries—Coombs and Powers; Harris and Carrigan and Criger.



The encyclopedia is an extremely popular reference book chiefly because of the ease with which information can be found, because of the briefness with which each subject is treated, and because of the expert authorship of each subject. Many encyclopedias are kept up-to-date by supplements which give up-to-the-minute corrections and additions. This keeps the encyclopedia a living thing because it contains all the most recent information.

The three best-known adult encyclopedias are the *Encyclopedia Britannica*, *The Americana*, and the *New International*. Three excellent junior encyclopedias are *Compton's Encyclopedia* (pictured), *The World Book Encyclopedia*, and *Britannica, Junior*. Three good one-volume encyclopedias are the *Columbia Encyclopedia*, the *Lincoln Library of Essential Information*, and the *Modern Encyclopedia*.

A *cyclopedia* contains information in all departments of knowledge or on all subjects in a department as, a general *cyclopedia*; a *cyclopedia* of mechanics. You will probably be interested in the *Encyclopedia of Social Sciences* if it is in your school library.

5. **Yearbooks.** In spite of the completeness of *cyclopedias* and encyclopedias, there are many current and temporary facts which they cannot and do not care to record. *Yearbooks* provide this service.

*The World Almanac.* Probably no yearbook is as widely known as *The World Almanac* (see sample page opposite) published by the New York World-Telegram. There are two things to remember when using *The World Almanac*. Its contents are miscellaneous. It is therefore sometimes difficult to determine whether it will contain certain desired information. Secondly, it contains so much advertising material (the reason for its low cost), even between pages of the index, that it is a little difficult for inexperienced users to look for an item. Neither of these objections, however, is really a serious one, and with a little practice, you can learn to use it quickly. Its popularity is indicated by the fact that practically every library buys a copy of it when it comes out.

A few items selected from the table of contents of *The World Almanac* will help to give an idea of its scope:

New York World's Fair Section, San Francisco World's Fair, Nobel Peace Awards, foreign affairs, stock and bond markets, notable events, foreign countries, population, U. S. Public Health Service, farms, crops, prices, trade and commerce, Pulitzer prizes, museums, educational and religious, postal information, radio and television, New York City statistics, the United States, laws, government agencies, biographies of presidents and their wives, famous people and notable events, aviation, scientific progress, administration activities, astronomical data, sports events and records, and naval and military data.

Other almanacs similar to *The World Almanac* are published by the Chicago Daily News, The Philadelphia Bulletin, and The Brooklyn Daily Eagle.

*Statesmen's Yearbook.* If you ever need current facts about foreign countries, refer to the *Statesmen's Yearbook*.

This book contains important information on all the countries of the world. It is divided into three parts: (1) Great Britain, (2) United States of America, and (3) Other Countries.

*The American Yearbook.* The American Yearbook presents information about all American events which occur during a year. A glance at some of the items in its table of contents will help to indicate its scope. The contributors to the American Yearbook, whose names are listed in front of the book, are all authorities in their respective fields. This fact adds to the value of the book, for the various items are interpreted by experts who usually represent a sound point of view.

6. **Directories.** Directories are probably the most frequently consulted reference books in business. It is therefore well for you to become acquainted with the most important ones. The fact that there exists a directory of directories shows their importance. The guide to directories is called *Mailing-List Directory and Classified Index to Directories* by Morley and Knight.

*Credit-rating directories.* Suppose your father has sold a large bill of goods to a new customer, on account. Before shipping the order, he wants to be sure that his credit reputation is good. Where can he get this information? The answer is a credit-rating directory.

The best-known credit-rating directory is that of Dun and Bradstreet, New York City. They issue a large directory to their subscribers, containing numerous business houses, listing the financial strength of each. If a subscriber wishes information about a business house not in the directory, he may get an individual detailed report by applying to Dun and Bradstreet.

Other credit-rating agencies that are better known in your own community will be found listed in your classified telephone directory.

*Who's Who.* If you hear or read about a well-known person, you may be curious to know more about him. Where can you look? A *Who's Who* will supply the data.

There are three types of *Who's Who* in which business references may be found. *Who's Who* published in England contains the alphabetically arranged names of notable living men and women from all over the world. *Who's Who in America* is, as its title indicates, limited to the United States. *Who's Who in Canada* is different in that it contains illustrations.

*Congressional Directory.* When you need facts concerning our government, the place to look is in a *Congressional Directory*. The *Congressional Directory* contains complete information regarding all phases of the United States Government and is very valuable even for those who have only occasional contact with the government. A few selected topics from its table of contents will give a general idea of the information available in this book:

Administrations (such as National Youth), Bureaus in the Department of Agriculture, Forest Service, Air Corps, Alphabetical List of Congressmen, Biographies, Boards, Bureaus, Capitol, Duties of Various Departments, Commissions (such as the Federal Communications), Offices of Chiefs, Post Office Department, Senate, Committees, War Department.

*State Manuals.* Who is your state senator or representative? Every state issues what is generally called a *Legislative Manual*. It includes such information as state history, list of governors, courts of the state, state and federal constitutions, senate and assembly members and their biographies, census tables, boundaries of congressional



districts, election returns, state officers, departments, commissions and salaries of officials, and much other legislative information.

*City directories.* An applicant for a very important position tells your father that he is a resident of your city. How can your father verify this information in a hurry? He can look in a city directory which is a reference book listing in alphabetical order the names, occupations, and addresses of all the inhabitants. Business people have frequent occasion to refer to the city directory for such purposes as making up a mailing list, checking an incomplete address, checking on statements of people that they reside at a certain place, and on many other occasions.

The front page of a typical city directory indicates the kind of information which it contains:

- (a) Governmental directory—City, County, State and Federal.
- (b) Buyers Directory—A local source of sales and service.
- (c) Classified Directory—Business, professional, and social.
- (d) Alphabetical Directory—Names of residents, occupations and addresses.
- (e) Numerical Directory—Streets, householders and business.

*Telephone Directory.* Telephone directories for the larger cities are divided into three parts: Helpful Information, Alphabetical Telephone Listings, and the Classified Section.



Under the heading of Helpful Information, the directory gives advice on such features as party-line service, bills, sending of telegrams by telephone, temporary suspension of service, how to use the telephone, costs of calling local and distant places, how to make toll calls, and an index of localities.



In the Alphabetical Telephone Listing are included the names of all subscribers to the telephone service. After each name is listed, first, either the letter *r* (for residence) or the kind of business, then the address and telephone number.

The Classified Section (sometimes a separate book) lists various businesses alphabetically. Thus, if you needed a painter, you would look up "Painters." Under that heading you would find an alphabetical list of all painters who have telephones.

*United States Postal Guide.* Since you will, at one time or another, have occasion to mail something requiring special attention, such as packages, airmail, or money, it is well for you to be somewhat familiar with the use of the *United States Postal Guide*.

The contents include Organization of the Department, Instructions as to Correspondence with the Department, Rulings and Information of postal subjects, State List of Post Offices, Alphabetical List of Post Offices, County List of Post Offices, and Miscellaneous Lists such as the War Department, or the U. S. Marine Corps.

#### **7. Other Reference Books.**

*Atlases.* Suppose that your friend is moving to a small town far away and that you want to find out about the town but you do not have the faintest idea where it is. Where would you look? An atlas is the correct answer this time. An atlas contains many maps and related geographic information.

An idea of the general contents of an atlas may be gained by the following list, representing topics included in a typical atlas:

Gazetteer-Index of the World

Geography of the Heavens

Maps

U. S. Imports and Exports

Temperature and time maps

Coinage of the world

Population of American, Canadian, and Foreign Cities

In addition to maps of the various states and countries, the following kinds of maps are usually included in an atlas: Hemisphere Maps, Oceanic Maps, Density of Population Maps, Economic Maps of the United States, National Parks, and Airway, Railway, and Highway-

Mileage Maps of the United States. Some of the better-known atlases are *Encyclopedia Britannica* (Volume 24), *Times Survey Atlas of the World*, *Rand-McNally Commercial Atlas*, *Hammond's New World Loose-leaf Atlas*, *Hammond's Modern Atlas of the World*, *Cram's Modern Reference Atlas*, and *Goode's School Atlas*.

*Gazetteers*. Have you ever heard people refer to a gazetteer? No, they were not talking about a person. They were referring to a book. A gazetteer is a dictionary of geographical terms. The outstanding gazetteer today is *Lippincott's Gazetteer of the World*, and the title page indicates the nature of the contents:

Geographical Dictionary of the World . . . containing the most recent and authentic information respecting the countries, cities, towns, resorts, islands, rivers, mountains, seas, lakes, etc., in every portion of the globe.

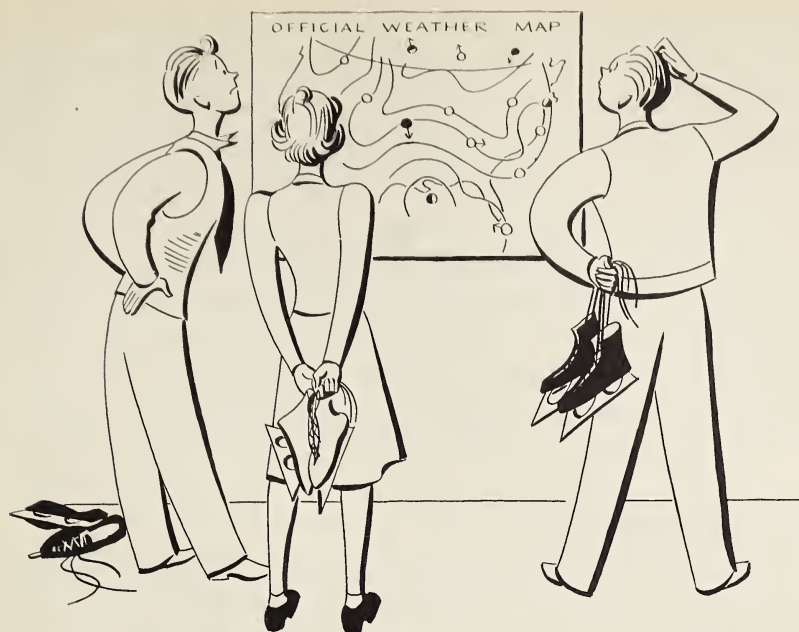
An idea of its scope may be secured from the fact that it contains 2100 pages of fine print. The descriptions vary in length and detail, depending upon the importance of a particular item. Thus, the country of France occupies six pages, while many small towns occupy but two or three lines.

Suppose you wished to check up on Framingham, Massachusetts. Referring to the *Gazetteer*, you would find the following:

Framingham, a post-village and township of Middlesex Co., Mass., on the Sudbury River and on the New York, New Haven, and Hartford R. R., 24 miles W. by S. of Boston. The town has manufactories of boots and shoes, rubber and straw goods, cloth, yarns, etc. A state normal school is located here. The banking point is South Framingham.

The population is given but since the figures are taken from an old census, they give only a rough idea of the present population.

*Newspapers and magazines*. Newspapers are a very important source of certain reference material. Generally, the average public is concerned only with the news contained in the newspaper, but business people and others have occasion to make use of some of the reference features.



The weather prediction and the weather map is an important item of information for some people. The classified advertisements are used by both buyers and sellers of goods and services. For example, if you wish to employ a roofer, you will find the names of roofers under that or a similar heading. When in New York, Chicago, or some other large city, many people buy a newspaper merely to look up the theatrical attractions. Many business people, particularly furniture dealers, take note of wedding announcements and send their literature to the happy couple.

Other reference items in newspapers include radio programs, stocks and bonds, shipping news giving arrivals and sailings of all vessels, and a Calendar of the Day, which lists important events scheduled to take place.

In considering magazines as a source of reference, you should keep in mind that you must refer to the type of magazine most likely to contain the desired information. If you wish information about a current topic, you would refer to a magazine such as *Time* specializing in current events. Similarly, if you want scientific articles, you might look in *Popular Mechanics*, *Popular Science*, *National Geo-*

*graphic*, or *Aviation*. If you are not certain as to where to find certain magazine articles, the best source of information is the *Readers' Guide to Periodical Literature*. Do not confuse the *Readers' Guide* with the *Reader's Digest*. The Digest contains condensed or shortened magazine articles and is published monthly. *Readers' Guide* is a reference book of all current articles.

*Census Reports*. Suppose you want to know how many people live in a certain community. You are also curious as to the sex, age, place of birth, occupation, and education of the inhabitants. The *United States Census Reports* compiled every ten years will satisfy your curiosity. The census reports are published by the government in book form and may be obtained in your library, or if you have sufficient need for one, you may purchase it from the Superintendent of Documents.

*Quotations*. Let us suppose that you desire to check up on a certain quotation which you vaguely remember as beginning with "To be or not to . . ." You wish to know the complete quotation, the author, and the writing in which it occurred. Where would you look?

There are several books available for looking up quotations, but inasmuch as *Familiar Quotations*, by John Bartlett, is considered a most popular reference book, it is selected as the example for this purpose. The title page refers to it as a collection of passages, phrases, and proverbs traced to their sources in ancient and modern literature.

For convenience in locating an item, the book contains an index of authors as well as an index alphabetically arranged according to the most important word in a quotation. In some cases, several words may be important, in which event, an item will be listed several times under its alphabetic position. How can you locate the "To be" quotation? Referring to the index, we note that "To be or not to be" is on page 93, and on this page, we are given the complete quotation of thirty-three lines, and learn that it comes from William Shakespeare's *Hamlet*, Act III, Scene 1, Line 56. This reference book contains about 1600 pages and any quotation ever considered important is certain to be found within its pages.

*Books on Facts*. Many miscellaneous books on facts are available



and two are mentioned here by way of examples. The first, *Brief Facts*, by Blair Tavenner, is considered valuable by many librarians. It is a brief handbook of useful information, containing such items as abbreviations, treatment of accidents, list of animals, birds, countries and states, fish, flowers, human body, islands, lakes, American presidents, removal of stains, trees, weights and measures.

*Famous First Facts*, by J. N. Kane, is a record of first happenings, discoveries, and inventions in the United States. The items are listed alphabetically, so that if you wish, for some reason, to find out when the first photograph was taken from an airplane, you should look up under the subject: photography. You would find the following information:

Photographs from an airplane were taken by Major H. A. "Jimmie" Erickson on January 10, 1911, in a Curtiss biplane piloted by Charles K. Hamilton over San Diego, California.

*Etiquette*. Although books on etiquette are not usually considered reference material, you will find much of value in such a book. Many people consider that the standard book on this subject is *Etiquette*, by Emily Post. Much material is included in it which is of no value to a high-school pupil, as for example, what to wear and what to do at formal weddings. This is true, however, of every reference book, so that there is no good reason for not using the part of the book which is of real value. For instance, the sections dealing with street, restaurant, and theater etiquette may be read and studied by high-school pupils to great advantage.

## REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. It is impossible for any person to know all there is to know.
2. The ability to know how and where to find needed information is very valuable.
3. Dictionaries are storehouses of knowledge regarding words.
4. Encyclopedias and cyclopedias are storehouses of knowledge regarding things.
5. For good English usage consult a handbook or a manual on English.

6. Data and facts which change from year to year are recorded in yearbooks.
7. You can find a directory to suit almost every purpose.
8. Geographical facts are stored in atlases and gazetteers.
9. Information on almost any topic under the sun is available if you know where to look for it.



### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-26 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. In order to succeed, your head must be crammed full of facts. True or false? Why?
2. A reference book is a book which should be read from cover to cover. Discuss.
3. You heard a friend talk about a reference book on reference books. What was he talking about? Can you name one such reference book on reference books?
4. Distinguish between a dictionary, glossary, lexicon. Give an illustration of each.
5. A good dictionary merely shows the meaning of a word. Discuss.
6. Distinguish between the following terms, and give an illustration of each: abridged, semi-abridged and unabridged dictionary, synonym, antonym, syllabication, and derivation.
7. A thesaurus is a prehistoric monster. True or false? Why?
8. A handbook is a book dealing with hands. True or false? Why?
9. Distinguish between an encyclopedia and a cyclopedia. Give an illustration of each.
10. Name at least three yearbooks.
11. When and how would you use a credit-rating directory? Give the name of one credit-rating directory.

12. Whom would you find in *Who's Who*?
13. A gazetteer is an animal found in the wilds of Alaska. True or false? Why?
14. Distinguish between the *Reader's Digest* and *Readers' Guide to Periodical Literature*.
15. Name at least five facts which you will find in the United States census reports.
16. Etiquette is a new parlor game. Discuss.
17. You recently heard a very interesting quotation, but unfortunately the only part of it which you remember is the word *rose*. You also remember that it has something to do with *smells*. It will be impossible for you to find this quotation. Do you agree with this statement? Why?
18. The well-educated man need not necessarily be crammed full of facts. Discuss.
19. Which reference book would you buy for your personal use? Why?
20. Why do libraries refuse to allow the circulation of reference books?
21. Where would you find the name of the most recent debating handbook?
22. Give three synonyms for dictionary.
23. It is always preferable to use an unabridged dictionary. What is your opinion? Why?
24. *The World Almanac* is published by the New York Times. True or false? Why?
25. Dun and Bradstreet are famous haberdashery merchants. True or false?
26. *The World Almanac* should be in every home. Discuss.

### SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

accumulated	applicant	available	cyclopedia
acquaintance	assistance	calendar	density
acquainted	authorities	compiling	exasperate
alphabetically	authorship	curious	extended

financial	miscellaneous	quotations	technical
geographical	necessary	recall	television
guide	occasions	referred	temporary
index	parenthesis	religion	thesaurus
infrequent	photography	similar	unabridged
knowledge	phrases	spouts	vaguely
legislative	preserve	strength	vex
mileage	proverbs	suspension	weather

### THE FIRST OF THE THREE R'S—READING

affiliations	biographies	encyclopedia	maximum
aggravate	classified	gazetteer	reference book
antonyms	data	glossary	source
atlas	demolish	handbook	supplement
authentic	derivation	lexicon	syllabication
autobiography	dictionary	manuscript	synonyms

### THE SECOND OF THE THREE R'S—WRITING

In this exercise we study the last two capitals of the alphabet. Both letters begin with the long narrow loop. Care should be taken to assure good slant and the loops in both letters should cross at the line of writing. Both capitals are joined to the letters that follow in a word.

In business we have various symbols or abbreviations that represent business terms. These should be practiced until they can be made easily and well.

First, check your posture and position and then write the exercise.

<i>Y</i>	<i>Z</i>	<i>ap</i>	<i>cp</i>	<i>op</i>	<i>s</i>	<i>ℓ</i>	<i>z</i>
1. <i>Yonkers</i>		<i>ap</i>	<i>cp</i>	<i>op</i>	<i>s</i>	<i>ℓ</i>	<i>z</i>
2. <i>York</i>		<i>ap</i>	<i>cp</i>	<i>op</i>	<i>s</i>	<i>ℓ</i>	<i>z</i>
3. <i>Youngstown</i>		<i>ap</i>	<i>cp</i>	<i>op</i>	<i>s</i>	<i>ℓ</i>	<i>z</i>
4. <i>Zanesville</i>		<i>ap</i>	<i>cp</i>	<i>op</i>	<i>s</i>	<i>ℓ</i>	<i>z</i>
5. <i>Zaner</i>		<i>ap</i>	<i>cp</i>	<i>op</i>	<i>s</i>	<i>ℓ</i>	<i>z</i>



## BUILDING BUSINESS HABITS

### Job 1—

- (a) Visit your school library. Ask the librarian to tell you which reference books are most frequently used.
- (b) Make a list of the most popular reference books in this way.

### POPULAR REFERENCE BOOKS—SCHOOL LIBRARY

Reference Book	Type
----------------	------

- (c) Complete the chart.

### Job 2—

- (a) Visit your community library.
- (b) Repeat Jobs 1b and c.

### Job 3—

- (a) Look up the following words in an unabridged dictionary. Copy the complete account of each word: homonym; perturb; acumen; analysis; exclude; harass; inclement.
- (b) Look up the same words in the abridged dictionary which you use in school or at home. Copy the description of each word.

### Job 4—

- (a) Consult Roget's *Thesaurus* or a book of synonyms available in your library.
- (b) Copy the complete account of each of the following terms: indelible; smart; outline; shake; invent; enthusiasm.

### Job 5—

- (a) Consult a manual or handbook of English Usage available in your library.
- (b) Look up the rules for the use of commas.
- (c) Look up the rules for the use of quotation marks.
- (d) Prepare written reports for your class.

### Job 6—

- (a) Review the material on encyclopedias.
- (b) Set up a chart to show the encyclopedias in your school library in this way.

# ENCYCLOPEDIAS—SCHOOL LIBRARY

Name	No. of Volumes	Type
------	----------------	------

(c) Complete the chart.

Job 7—

- Look up in an encyclopedia an article dealing with your hobby.  
If you do not have a hobby look up *philately*.
- Prepare a brief outline of the article for a class report.

Job 8—

- Review the material on yearbooks.
- Prepare a chart of yearbooks in this way.

## YEARBOOKS

Name	Type	Information Given
------	------	-------------------

Job 9—

- Obtain a current copy of *The World Almanac*.
- Look up the world production of automobiles last year as compared with the United States production.
- Who won the American League Baseball Pennant last year? The National League Pennant? The World Series?
- Who were the women tennis champions last year?
- Find the names of five football players who won All-American honors last year.

Job 10—

- Review the material on directories.
- Prepare a chart showing the information in this way.

## DIRECTORIES AVAILABLE

Name of Directory	Type	Description
-------------------	------	-------------

(c) Complete the chart.

Job 11—

- Find details about the life of the President. Prepare a report including the source of your data.

- (b) Make a list of the Nobel Peace Awards of last year. Source of information?
- (c) Find out what you can about the United States Senator from your state.
- (d) Who is your local representative in Congress?

Job 12—

- (a) Look up the following governmental agencies:

AAA	HOLC	RA
CCC	ICC	SEC
FCC	NLRB	TVA
FDIC	NYA	USHA
FHA	PWA	WPA

- (b) Write the full title of each organization.
- (c) Give the source of your information.

Job 13—

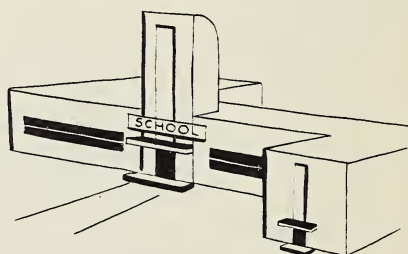
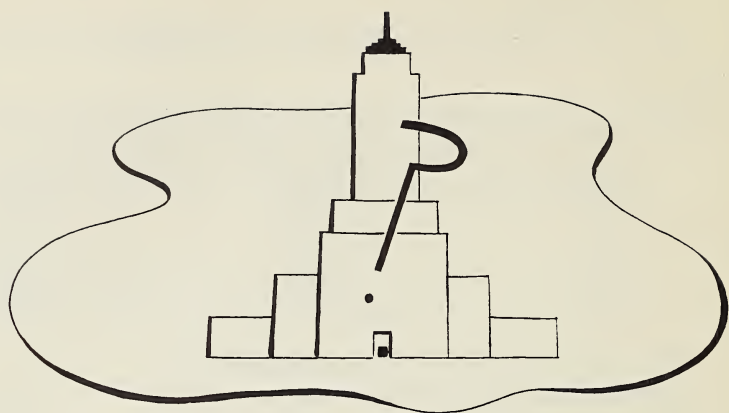
- (a) How much would it cost to send an eighteen-pound package of books by mail from your home town to Indianapolis?
- (b) What kind of an animal is the babirusa?
- (c) What is the source of the Danube River? Into what does it flow?
- (d) Who wrote the music for the opera Faust? Who wrote the words?
- (e) Give the geographical location of Memphis, Tennessee.
- (f) Give complete quotation, author, and source of "What is so rare as a day in June?"
- (g) What do you say when you introduce a lady and a gentleman?

Job 14—

- (a) You are preparing to write a brief composition on wheat production.
- (b) Look up the following details before you write.
  1. How wheat is raised.
  2. Nations producing wheat on a large scale.
  3. Countries exporting and countries importing wheat.
  4. Place of the United States in wheat production.

### THE THIRD OF THE THREE R'S—ARITHMETIC

Review the last problem in Chapters X, XI, XII, XIII, and XIV.





## XVI

### WHAT HAS THE BUSINESS WORLD IN STORE FOR YOU?

**STOP! THINK!** *Can you answer these questions before you read the chapter?*

1. *What are you going to do after high school? Why?*
2. *How do the opportunities offered to a young person in this country today compare with the opportunities offered fifty years ago?*
3. *Are you going to be a success or failure? Why?*

1. **Tomorrow.** We have spent quite some time together considering the world of today. But how about tomorrow? Tomorrow will be here before you know it. And what then? Are you going to shift around from pillar to post without any plan as to where you are going? Or have you a definite destination in mind? You may not know just which road to take, but do you know exactly where you want to go? Are you going to be satisfied to merely get along or will you conscientiously try to make a success of your life? In short, have you made any plans for the future? Have you thought about what you are going to do after high school or what you will be doing ten years from now? These questions may seem so remote from your present-day life that you may dismiss them with a shrug and forget about them. Or you may start this very moment to do something about answering them.

If you have thoughtfully observed working people with whom you may have had dealings—grocers, bankers, ticket-sellers, automobile mechanics, shoemakers, salesmen, dentists, doctors, teachers, and others—you have perhaps noticed that some of them are very happy and successful, while others seem unhappy and confused. It may be that the successful ones took charge of their lives and

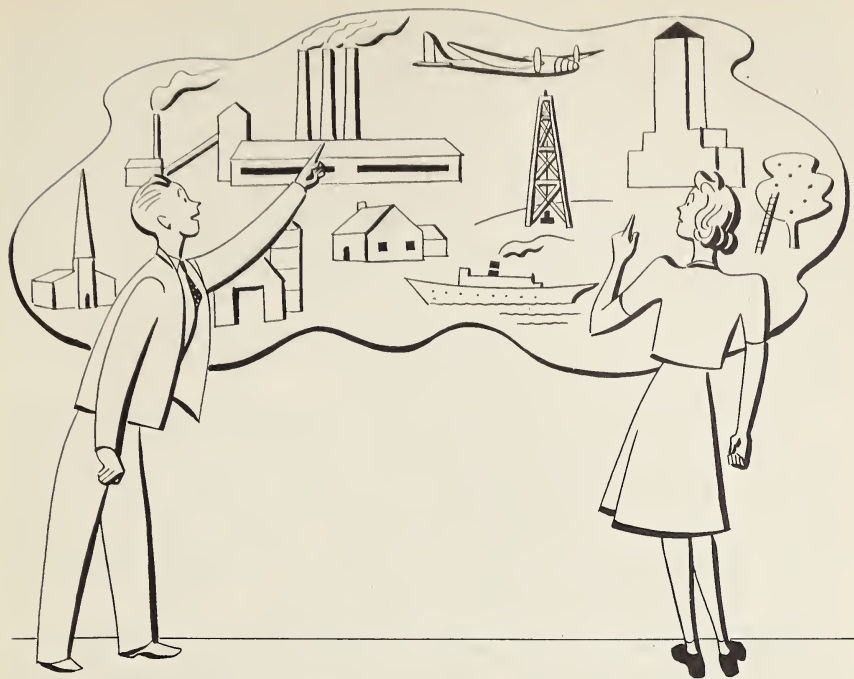
studied what they could do and wished to do. They discovered the opportunities in that particular occupation for them. The work held no attraction for the unhappy ones, so they never thought about where they were going nor how to go. They did not take charge of their own lives in time and so kept drifting aimlessly along.

Make up your mind that you are not going to be a drifter. You are going to make a real study of yourself in order to be able to choose the life career that is best suited to you and your ability. Designing your vocational life is a very absorbing and interesting problem. It will yield a real satisfaction, for you will find that one of life's greatest pleasures is to be found in doing work that you enjoy. This is the time to think about what there is to do, what you want to do, and what you can do.

2. What Is There to Do? According to the United States Census, there are over ten thousand possible ways of making a living. Do not let that statement frighten you, however, for there is so much similarity in various kinds of jobs that the total number of definite occupations can easily be reduced to about two hundred. A large percentage of all workers are in less than eighty of these occupations. So you see, you can easily find a place for yourself. And do not think there is only one place for you. You have a chance for

*These men were young and hopeful once. Today they are just drifting.*





success in from ten to twenty occupations in some related field of activity, if you really are serious in your ambition and in your desire for success. Therefore, the task ahead of you is to make a temporary choice now. What is that choice to be?

There are three major, general groups of occupations in which to work and from which you may choose; the industrial occupations, the commercial positions, and the professions. The industrial group includes agriculture, manufacturing and mechanical industries, transportation and communication, domestic and personal service. The commercial group includes trade or competitive work and clerical occupations. The professional group includes public service and professional service.

**3. What Do You Like to Do?** Which of these will you select? First discover the field you are interested in and what you are able to do. Then make a choice of a general field of work, and of a specific line in that field. Next, study the requirements of the occupation you have chosen and commence your preparation for this chosen vocation.



How do you go about discovering your interests? What are your interests and abilities in your high-school courses? You know whether you are above average, average, or below average in the various subjects you are studying. If you excel in subjects of a practical nature, such as mechanical drawing, art, gymnasium, sewing, cooking, shop, stenography, or typewriting, you may decide to build your occupational life around one or more of them. Even the academic studies such as English, history, botany, biology, chemistry, mathematics, science, or a foreign language, may suggest vocations to you in which you could use these subjects.

There is also a very fine opportunity for discovering your interest and abilities through your participation in extracurricular activities in school. You can learn whether you enjoy working with others, whether you must be the boss or nothing, whether you enjoy hard manual labor in your activities, or whether you prefer to sit down quietly and make the plans for others to follow.

Work done at home often discloses valuable abilities: housework, sewing, cooking, gardening, repairing tools, mechanical jobs, nursing, and managing. Your after-school and Saturday job may give you a clue as to what you like or do not like, can or cannot do.

**4. What Can You Do?** It is a helpful plan to make a list of ten or twelve possibilities which interest you. Arrange them in order of your preference. By the process of elimination and self-study, this list gradually simmers down to two or three. Do not think that this elimination process can be done this minute, in a day, or even in a year. Your decision concerning your life's work will be based on many varied experiences, added knowledge of yourself, and your development.

Do you desire to prepare well for the work that will make you a success in later life? Then remember that nothing worth-while was ever done in a hurry. It is usually developed gradually. Do not be impatient. Success in later life depends upon your success in your present job. Your present job is school. Consequently, resolve here and now to make a very good job of that. Learn all the basic knowledge that will benefit you when you study later for your chosen vocation.



If you are taking the stenographic course, you should pay particular attention to the study of English. You will need an excellent knowledge of vocabulary, spelling, punctuation, capitalization, sentence structure, and grammar. If you are taking the bookkeeping course, you should pay particular attention to the study of arithmetic. You should also develop your penmanship and accuracy. Were it not for the fact that we are sure that you have got the point of this discussion, we might continue here to emphasize the importance of all your courses.

Your knowledge of your own native and acquired abilities will aid greatly in guiding you into the proper channels of work. The fact that you are a member of this class suggests that you intend to enter a business vocation. You may, however, decide that you would do better in one of the other fields of work, instead of in the commercial field. In that case, this course will have served its purpose in eliminating business occupations from your list.

Always bear in mind that you must consider the requirements of your chosen field. Ask yourself: Have I the ability for that work? Would I enjoy it? What amount of education is required? Can I afford the time and money involved in preparation? What is the compensation in terms of success, money, fame, or honor?

Since it would be impossible for us to discuss all occupations, we shall assume that you will probably select business as your field of work and we shall therefore investigate what business has in store for you.

**5. Clerical Work?** There is nothing more tragic than going day by day to an occupation in which you have no interest, or from which you derive no happiness. Not all work is equally attractive to everyone. With the many types of occupations from which to choose, it seems incredible that people are actually doing work that has no appeal for them. Each job holds great interest for some temperaments yet would not appeal in the least to others.

Look around you, and you will see that many people are doing some sort of clerical work—keeping records of work done, keeping records of receipts and of expenditures, taking care of correspondence, taking inventories, carrying out orders, and sorting mail.



*There are many clerical jobs to be done in the business world.*



Would *you* make a good clerical worker? Are you orderly with your own possessions? Are you systematic in the details of your life? Can you compose and write a good business letter? Are you efficient in carrying out orders and doing errands? Do you remember faces, names, and addresses? Are you accurate in mathematics? Clerical workers should enjoy keeping things in order, sorting and arranging details, checking lists, filing papers, and being generally systematic. They should enjoy detailed work, and should usually be of a quiet, patient temperament.

Clerical jobs in large organizations include such positions as receiving clerk, shipping clerk, stock clerk, marking clerk, mail clerk, file clerk, entry clerk, billing clerk, ledger clerk, order clerk, statement clerk, and pay-roll clerk. Their duties are indicated by the titles.

Your preparation for clerical work will include training in filing, mimeographing, telephone techniques, and office-machine operation. Are you interested?

**6. Stenographic Work?** Being a good stenographer requires much more than just a knowledge of the tool subjects—stenography,



typewriting, and office practice. The efficient stenographer does much more than take dictation and transcribe her notes. She acts as receptionist. She files correspondence. She keeps records and memoranda. She arranges interviews. And, as head stenographer, she supervises the work of others.

There are other channels of work for the use of shorthand. A public stenographer has to manage her own office and work for many types of business. Usually, she must be an expert in letter composition, mimeographing, multigraphing, and typing envelopes on a wholesale scale. She must be a rapid, accurate typist. A measure of originality is invaluable to maintain a successful public stenographic business.

There are also the court stenographers who must be speed artists. Because of the strain that these positions entail, men are practically always appointed to fill them. Such a stenographer must be accurate and speedy so as to record every word. His records must be a reliable copy of the testimony given because they serve as permanent references.

Probably every stenographer in a business office has the ambition to become a private secretary. The efficient private secretary is an invaluable asset to a busy executive. She aids him plan his time and work. She attends to the mail. She even answers some of the correspondence herself. She attends to his schedule of appointments and interviews. Often, she takes charge of many of his personal matters. Her main aim is to relieve her employer of much of the stress and strain of the detail work which comes up in the course of a day's business. Only the most capable students can hope to become efficient private secretaries. How about you?

**7. Bookkeeping Work?** Now let us see the type of work involved in bookkeeping. The bookkeeper's work is closely connected with that of the cashier. Sometimes the titles, bookkeeper and cashier, are used interchangeably. The bookkeeper or cashier takes care of the accounts and books of a firm. He is responsible for entering the sales, the purchases made, and all transactions that concern the business. He also sends out the bills at the end of the month. Good bookkeepers have a splendid opportunity to be appointed head



*"I am an accountant."*

of the credit or cost department. They are then in a position to know what is going on in the whole organization. Naturally their information must be treated as strictly confidential.

The step beyond bookkeeping is accounting. An accountant's work is of a more statistical (mathematical) nature. He is qualified to take the State examinations to become a *Certified Public Accountant*. If he passes, he is entitled to use the initials C.P.A. after his name. This means that when he says that a firm's books are correct, the government is willing to take his word for it. The Certified Public Accountant does not keep a set of books himself but checks and audits (verifies) the books of others. He prepares and looks over statements for many firms as a check on the accuracy and honesty of their bookkeepers. Often he is hired to install financial systems and to suggest methods of improving the business. He is expected to be a real efficiency expert. Would this work appeal to you?

**8. Competitive Work?** Competitive business involves the exchange or trading of goods or services and is mainly concerned with selling. The salesman performs a very necessary service to business. He keeps the wheels of activity running. He is the one who takes



the product from the factory and places it within reach of the consumer. There are many, many kinds of salesmen. The best opportunities exist for retail-store salesmen, wholesale-trade salesmen, insurance salesmen, real-estate salesmen, traveling salesmen, canvassers, and brokers.

Advertising is another type of competitive business activity. The men who work in the advertising unit of an organization plan the campaigns for advertising. They write the copy for billboards, magazines, radio, newspapers, handbills, and mail circulars.

Selling is a logical training ground for advertising and for many other business opportunities and responsibilities. Do you have an aggressive, self-assertive personality? This means that you are not afraid to meet people. You are not timid. You know what you want to say and how to say it. You love rivalry. You can put up a good fight and yet you know how "to take it on the chin" without whining, if necessary. Do you prefer to lead rather than to follow? After listening to these requirements, are you still interested in the competitive occupations?

**9. Tomorrow in Your Community.** We have considered your vocational future. Whereas earning a living is a very important activity, it fortunately will not occupy all of your time and energy. You will be very dependent on friends and neighbors for your best times in healthful and wholesome adventure. In other words, you have also a future to look forward to as a member of your community.

There is a wealth of happy experience in your own community that you cannot afford to ignore. There are possibilities for self-development in all your community relationships. Investigate the opportunities that your community offers you, and resolve to avail yourself of those which will enable you to lead a fuller and richer life. But bear in mind that, if you are to reap the harvest of advantages that your community offers, you yourself must also make a few contributions to the community. Ask yourself whether you are a really good citizen helping in the development of your neighborhood. Be conscious, not only of what others do for you, but also of what you can do for others. "What do we live for, if it is not to make life less

difficult for each other?" said George Eliot, the author of *Silas Marner*. In order to be a credit to yourself and your community in the world of tomorrow, you must learn the meaning of service: service given and service received.

We are all so dependent upon one another in everything we do that it is well to consider our place in a well-organized community. A community is really any group where the people are united by common interests. The larger community of a town or city may be composed of many smaller communities where the people act co-operatively. We find church organizations, school organizations, political organizations, sports organizations, parent-teacher clubs, neighborhood-betterment organizations, and public-health organizations within a large community. These organizations are really small communities in themselves, for their members are working for a common cause and hence for the good of all. Each self-respecting family contributes to, as well as receives from, the community in which it lives. What do you contribute to your community?

The health protection that a community provides is an important

*Nestled in the hills of Vermont this mountain village has its own community life and community problems.*







consideration for an individual or for a family. Societies for the protection of health—clinics, hospitals, nursing organizations, and health bureaus—contribute to our well-being. Quarantine laws for the prevention of the spread of contagious diseases may sometimes be a nuisance but they are designed for our benefit. Community regulations which control the food, milk, and water supplies to prevent the conveyance of bacteria may be troublesome at times. But why are they set up? Community disposal of waste and garbage is a real health measure not to be ignored even if it means a little extra work for us in hauling ashes out of the cellar.

You enjoy personal and property protection because of the police and fire departments, to say nothing of the safety measures taken in regulating traffic for motorists and pedestrians.

Your community also provides many recreational facilities of which you should avail yourself and in which you should take an active interest. In a short time, it will be your responsibility and privilege to carry on and improve these opportunities for those to follow. You may or you may not have parks, swimming pools, beaches, tennis courts, baseball fields, skating ponds, public golf links, athletic fields, and public playgrounds. If you lack some of these facilities in your community, what are you doing about it? Are you grumbling or are you working with your friends and neighbors

to inform the public authorities of your needs and desires? Somebody must start the ball rolling in the right direction. Why not you?

Communities also support public libraries and art and historical museums. Such institutions furnish a means for enjoying quiet recreation. Avail yourself of the recreational and educational opportunities offered there. Participate in Boy-Scout, 4-H, Girl-Scout, Hi-Y, or Girl Reserves activities, in community Christmas celebrations, band concerts, Fourth-of-July celebrations, Memorial Day and Arbor Day observances, picnics, Fire-Prevention Week, Better-Homes Week, Clean-up Week, Red Cross work, Community Chest drives, and other community activities. They are great fun if you enter into them with a spirit of helpfulness.

In addition to having fun in your leisure time, you can learn a great deal in some of these community organizations which will help you later in earning a living and in making good use of your time. If you live in a rural community, you should join the 4-H Club in your vicinity. Why join a 4-H Club?

You can start a 4-H Club in your own home with the help of the county farm supervisor. He will be glad to assist you and your friends in carrying on many farm projects. A 4-H Club stands for Head, Heart, Hands, and Health. How do 4-H Club members spend their time? Some raise and sell pigs for money to carry on musical and dramatic activities. Some are interested in learning how to breed and raise fine cattle, sheep, or poultry. Others are interested in growing corn, wheat, or vegetable crops. The members learn to plant trees, prevent forest fires, purify water supplies, and protect wild life. The girls become experts at canning carloads of fruit and vegetables. Many members earn enough while in high school to attend college. In addition to practical knowledge, club members plan for music, dramatics, and operettas. Lasting friendships are frequently made in working together with other young people under the 4-H clover-leaf banner.

You should consider it your privilege to aid in the growth of your community. Observe really successful people. Do they stay at home and let others do community work? Certainly not. They take advantage of the opportunity to serve as, at the same time, they in-



crease their personal acquaintances and friendships. You never can tell when you will need and receive assistance from your community associates. Will you have to sink or swim alone because you are too indifferent and backward to work with and for others?

**10. Tomorrow in Your Country.** It is true that your vocational and community futures are important. But how about your future as a citizen of the United States of America? In the words of Sir Walter Scott, who wrote *Ivanhoe*,

Breathes there the man with soul so dead,  
Who never to himself hath said,  
This is my own, my native land!

Are you a citizen who does not fully appreciate the advantages of being a citizen of this great land? Do you accept all your privileges, take them as a matter of course, and never stop to realize that you like living here? If you should ever talk to those who came from other countries to make their homes here and who have taken out their citizenship papers, you would soon appreciate America. You would then realize how fortunate you are to be here with your freedom, good living conditions, comforts, happiness, and opportunities.

Perhaps your own grandparents were among the pioneers of this country. They more than likely had good reasons for leaving their native land, their families, and their friends. Talk to them and learn of their hardships and struggles to clear the woods, to build homes,



*4-H Club members exhibiting at a livestock show.*

to cultivate the land, and to try to make a livelihood. In their tales, they, no doubt, recount many stories of working with others to establish protection. They worked together to concentrate on community development, to organize churches, to establish schools, and to form governments. Is it any wonder that they continue to work toward the improvement of these institutions that were earned with such hardship? Is it any wonder that they are anxious concerning the coming generation's smugness in taking it all so much for granted?



We must continually build and fortify our government against those who, through ignorance or selfishness, try to spoil it. Every citizen of the United States should take an active interest in civic life. This duty you owe to yourself, your family, your fellow men, and your country. Do not think of neglecting this obligation. If you stop to think about it you will consider it an honor and a privilege, an opportunity, and a duty to take part in the building up and protection of your government. Democracy is still a new thing. It has its enemies and lawbreakers, and it needs everyone's loyal and constant support if it is to remain as a way of living for free, liberty-loving people. Begin today to ponder the importance of these facts which will mean so much more to you as you grow older.

Let us consider briefly some of the advantages of being an American citizen. You may vote, when you reach voting age, at all general elections to choose the officers of your local, State and National Governments. You may hold any public office in the United States if you are elected or selected for it. You may serve on juries in all courts and participate in advancing the cause of law and order. You may obtain passports to travel abroad under the protection of the American flag. When you travel abroad, you will realize the comfort

of saying, "You can't do that to me. I am an American citizen." Finally, you are entitled to all the other privileges given by the Constitution of the United States of America.

To enjoy all the privileges of this country of ours, you should respect its laws and regulations and take an active part in safeguarding them against attack by those who oppose decent government. You should respect and guard the American flag, and uphold the Government and the Constitution of the United States and of the state in which you live.

There are certain specific duties which a good citizen is expected to perform. You should keep informed about public questions and policies, and learn the qualifications of candidates for public office. Upon reaching voting age, you should make use of your vote according to your conscience in every election and vote for the best interest of all, rather than to promote some selfish aim. You should pay taxes, and not attempt to evade responsibility. A tax which is dodged by one citizen must be paid by other taxpayers. You should be economical in your daily living and save regularly so as not to be a burden on the community in your old age. You should keep the premises around your living quarters neat and clean, and obey and respect the laws and the officers of the law even though sometimes not quite in sympathy with them. A useful and loyal citizen to his community, state, and nation regards his citizenship as a public trust.

In this land of opportunity, we live and work in peace and prosperity under the laws of our own making. We owe it, not only to ourselves, but also to our country to make use of the wonderful opportunities that our communities offer to keep us from becoming failures. Society wants us all to be successful. It does everything in its power to make us successful, for successful men and women will be independent, useful, and co-operative citizens as well as a credit to society.

A good American will try to gain and preserve good health. He will always practice self-control. He will be self-reliant. He will learn to accept his just responsibilities and to play fair and square with everyone regardless of race or color. He will do his duty as he honestly sees it and will, at the same time, co-operate with his fellow



workers for the common good of all. He is naturally kind, generous, and loyal to his family, his friends, his fellow men, and his country.

Patriotism is interpreted differently by different people. In the finest sense, it means a devotion to the traditions of your country. We should be proud of our traditions and constantly aim to live up to them and be worthy of them. Naturally, ours is not the only country in the world. But to us it stands for the country we would choose to live in even if we were born elsewhere. Therefore, we are mighty proud that it is our native land. But we must do our bit to preserve its best traditions for the world of tomorrow.

**11. Tomorrow and You.** Your future as a worker and as a citizen is very important. What is of far greater importance, however, is your future as it concerns you. It is true that you have to work with others and live with others, but above all, you must live with yourself. That sounds odd, does it not? Of course, you say, I must live with myself, so what is the point? The point we are driving at is that you should be honest with yourself and realize your own strong and weak points, long before they are noticed by others. You should have a life of your own apart from your social activities. Are you going to be a person who must always be moving about, always

running around in circles? If you cannot go to the movies or visit with your friends, do you feel lost and lonely? Or, have you been fortunate enough to develop a liking for your own company once in a while? This does not mean that you should be a hermit, but that you should be able to sit down occasionally and enjoy some happy thoughts of your own: think perhaps of some happy experiences you have had; plan some pleasant surprises for your family; think of your future; recall some of the interesting things you have





read recently, heard on the radio, or seen in the movies; remind yourself of the beautiful sunsets or cloud formations you have seen; think of the advice given by your instructor, or trusted friend; try to whistle or hum the beautiful music which is still resounding in your imagination; spend some delightful and profitable hours with your hobby; and above all, dream a little. This sort of inner life is a guarantee against boredom and loneliness. It is not a substitute for social life but it is a valuable accompaniment to make it more complete.

In addition, do not overlook the need to have a definite philosophy of life. You will find faith a strong influence to keep you on the right road. It will serve you as a great comfort in times of disappointments and sorrow, and it will supply you with the spirit for greater achievements. Hold to your faith, whatever it may be, and never neglect it. It will do so much for the real you—the inner you. You cannot afford to be without it. Many of your happy thoughts will be based upon your spiritual outlook and upon your happy associations with your fellow men.

Here is another suggestion to form a basis for happy thoughts and to develop a philosophy of life. Select some proverb or motto that particularly appeals to you and around which you can center your thoughts. Keep this proverb constantly in mind for a while. Make it a part of you. Here are a few suggestions for proverbs. However, there are many others quite as thought-provoking.

Do it now.

A place for everything and everything in its place.

First things first.

Who speaks much often blunders.

Look before you leap.

Courteous speech is worth much and costs little.

Haste makes waste.

A bird in the hand is worth two in the bush.

Silence is golden.

Early to bed and early to rise makes a man healthy, wealthy, and wise.

Do no evil and fear no harm.

Treat others as you would have them treat you.

A penny saved is a penny earned.

A rolling stone gathers no moss.

Laugh and the world laughs with you, weep and you weep alone.



The early bird catches the worm.  
To err is human, to forgive divine.

Can you put into your own words the meaning of all these proverbs?

Train your mind in happy channels of thought. There is much happiness in store for you if you will develop a well-rounded life of your own and live it. It will assure you a definite place in life and establish a firm foundation for your future. It is worth trying, is it not? You have but one life to live, so why not start now to make it a success.

### REFRESHING YOUR MEMORY

Some of the things to remember in this chapter:

1. It is important to make plans for the future.
2. There are over ten thousand ways of making a living.
3. You must discover your interests and abilities to do certain types of work.
4. Curricular and extracurricular activities in school and home provide a means of revealing interests and abilities.
5. Clerical, stenographic, bookkeeping, and competitive occupations are available to the business student.

6. Participation in community activities is a responsibility of every person.

7. The community supplies services which contribute to the pleasure of living.

8. Community friendships are often valuable in later life.

9. Many Americans take their citizenship for granted.

10. Foreign-born citizens often appreciate this country more than native sons.

11. Citizens have certain rights, duties, and obligations.

12. A person should be able to enjoy his own company at times.

13. A philosophy of life is necessary to every person of strong character.

14. You must exercise your mind as well as your body.

### YOUR QUIZ PROGRAM

This is a game in which one student is Professor Quiz. Two teams of students are the contestants. Numbers 1-25 are placed in a box. Each contestant picks a number out of the box and gives it to the Professor who reads the question corresponding to the number on the slip.

1. Why worry about tomorrow? Discuss.

2. Tell the class about your plans for the future.

3. A friend of yours tells you that he does not know what there is to do in the business world of today. Give him the necessary information.

4. Presume that you do not have the slightest idea of what you will do when you finish high school. How can you discover what your interests and abilities are?

5. You feel that you are interested in a certain occupation. What questions can you ask to decide whether you meet the requirements for that occupation?

6. Discuss the clerical occupations as a field of opportunity for students in the business course.

7. What are the requirements for success in stenographic and secretarial work? Discuss.

8. How can you decide on what you want to do in the future?

9. A bookkeeper merely keeps books. True or false? Why?

10. Anyone can be a salesman. Discuss.

11. What is the advantage of making an early decision as to what you want to do for a living?

12. Why have you chosen the stenographic, bookkeeping, or clerical course? Did you make your decision after careful thought, or did you drift into it?

13. Do you participate in community activities? Why?

14. When do the real responsibilities of being a good citizen begin for boys and girls? Discuss.

15. A young person today has as many opportunities as the young person of fifty years ago. What is your viewpoint on this question?

16. Name five duties which you have as a citizen of the United States.

17. Define patriotism, in your own words.

18. Quote three proverbs or mottoes.

19. Charles Lamb said, "The measure of choosing well is whether a man likes what he has chosen." Discuss the meaning of this quotation.

20. You have heard many people speak about a philosophy of life. What do they mean? Tell the class something about your philosophy of life.

21. "Live and let live." Discuss this quotation.

22. Your mathematics teacher tells you that it is as important to exercise your mind as it is to exercise your body. Is he correct? Why?

23. Do you enjoy living in America? Why?

24. Are you ignoring any of our well-founded traditions, or breaking any laws? Why?

25. You have been warned against taking your citizenship for granted. Why?



## SPELLING BEE

Who is the best speller of words used in this section? The winner of the last Bee should come up to the front of the room to act as the Spelling Master. Select two captains. Make up two teams and then begin. May the best speller win!

absorbing  
acquired

basic  
census

channels  
classified

competitive  
confidential



conscious	emphasize	participate	reap
contagious	err	patriotism	receipts
conveyance	guarantee	pedestrians	recreational
correspondence	interchangeably	pillar	reliant
criticize	major	pioneers	shift
democracy	manual	practical	similarity
development	mechanics	preference	systematic
dodged	multigraphing	privilege	temperament
efficiency	nourish	process	testimony
elimination	opportunities	quite	transcribe

### THE FIRST OF THE THREE R'S—READING

aggressive	excel	livelihood	requirements
canvassers	extracurricular	mimeographing	resounding
clerical	incredible	native ability	smugness
compensation	infers	quarantine	statistical
destination	invaluable	receptionist	stenographic
drifter	level-headed	relieves	vocational

### BUILDING BUSINESS HABITS

#### Job 1—

- (a) Make a list of all the work you have done. Include anything which may help in selecting a life career.
- (b) Write a report on your plans for the future. Be honest and frank.

#### Job 2—

- (a) Make a list of at least twenty-five occupations in which your immediate neighbors are earning a living.
- (b) Of this list or any other, select ten occupations in which you have some interest.
- (c) Select the one occupation which interests you most. Write a report telling why it appeals to you.

#### Job 3—

- (a) Review the material on discovering your interests and abilities.
- (b) Prepare a check list of the things you can do to discover your interests and abilities.
- (c) Rate yourself on the abilities you have displayed.

**Job 4—**

- (a) Make a list of the questions you can ask to determine whether you will succeed in a certain occupation.
- (b) Select any three occupations.
- (c) Answer the questions in (a) about each occupation.

**Job 5—**

- (a) Review the information on clerical occupations.
- (b) Make a list of the duties performed by clerical workers.
- (c) List the occupations included under the heading of clerical work.

**Job 6—**

- (a) Prepare a list of the characteristics a clerical worker should possess in order to succeed.
- (b) Rate yourself as a clerical worker.

**Job 7—**

- (a) Go over the material on stenographic and secretarial work.
- (b) Make a list of the duties performed by workers in this field.
- (c) List all the occupations which come under the heading of stenographic and secretarial work.

**Job 8—**

- (a) Prepare a list of the characteristics a stenographic and secretarial worker should possess.
- (b) Rate yourself as a secretary.

**Job 9—**

- (a) List the duties performed by bookkeepers and accountants.
- (b) List the qualities necessary for success.
- (c) Rate yourself.

**Job 10—**

- (a) List at least ten types of salesmen.
- (b) List the qualities necessary for success in the competitive occupations.
- (c) Rate yourself as a salesman.

**Job 11—**

- (a) Study the services supplied by your community. Prepare a chart to show the information in this way.

## COMMUNITY SERVICES

Service	Description	By Whom Performed	Approximate Cost
---------	-------------	-------------------	------------------

- (b) Complete the chart.
- (c) Check the services which you use.

Job 12—

- (a) Study your community life. Make a chart of community organizations in this way.

## COMMUNITY ORGANIZATIONS

Name	Membership	Services Performed
------	------------	--------------------

- (b) Complete the chart.
- (c) Check the organizations to which you belong.

Job 13—

- (a) Select any two of the following local community agencies:

Community Chest	4-H Clubs
Free Clinics	Y.M.C.A.
Public Playgrounds	Y.W.C.A.
Boy Scouts	Y.M.H.A.
Girl Scouts	Y.W.H.A.
Recreation Centers	K. of C.

- (b) Write a brief report on the work done by these two agencies in your community.

Job 14—

- (a) Review the material on citizenship.
- (b) Make a list of the advantages you enjoy as a citizen.
- (c) List your duties and obligations as a good American citizen.

Job 15—

- (a) Think of the things which come into your mind when you are alone.
- (b) Jot down some of your inner thoughts.

Job 16—

- (a) Review the material on Tomorrow and You.
- (b) Write a report on the importance of a philosophy of life for yourself. Be frank and honest. It is not necessary to mention your form of worship.

Job 17—

- (a) Read the proverbs again.
- (b) Write your interpretation of each proverb.

Job 18—

- (a) Ask your friends and members of your family for additional proverbs.
- (b) Make a list of all the additional proverbs you can find.
- (c) Of all the proverbs select the three you like best.

Job 19—

- (a) Learn the words of the song "America" if you do not know them.
- (b) Write the story of the writing of "America."
- (c) Write the story connected with the writing of "The Star-Spangled Banner."

Job 20—

- (a) Do you know the words of "Abou Ben Adhem," by Leigh Hunt?
- (b) Write the words to this or any other favorite poem.
- (c) Learn several stanzas of your poem.

Job 21—

- (a) Make a list of the things you have learned in the First of the Three R's—Reading and in Building Business Habits.
- (b) Have you made definite progress in the Fundamentals of Business Training?

## THE SECOND OF THE THREE R'S—WRITING

During the year you have completed a study of both the capital and small letter alphabets. You should now write a specimen to determine the progress that you have made. Your future success in the study



of more advanced subjects in your high-school course will depend somewhat upon the application you have made of the handwriting lessons outlined through the various chapters of this book.

Write the specimen and compare it carefully with the first one that you wrote at the beginning of your study of *The Fundamentals of Business Training*. Have you made definite progress in the second of the three R's?

### THE THIRD OF THE THREE R'S—ARITHMETIC

Review the situations in each chapter which caused you difficulty when you did them the first time. Have you made definite progress in the third of the three R's?



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